SELECT HARVESTS

Select Harvests Limited

AGM – Chairman's Presentation

21 November 2014

Disclaimer & Basis of Preparation

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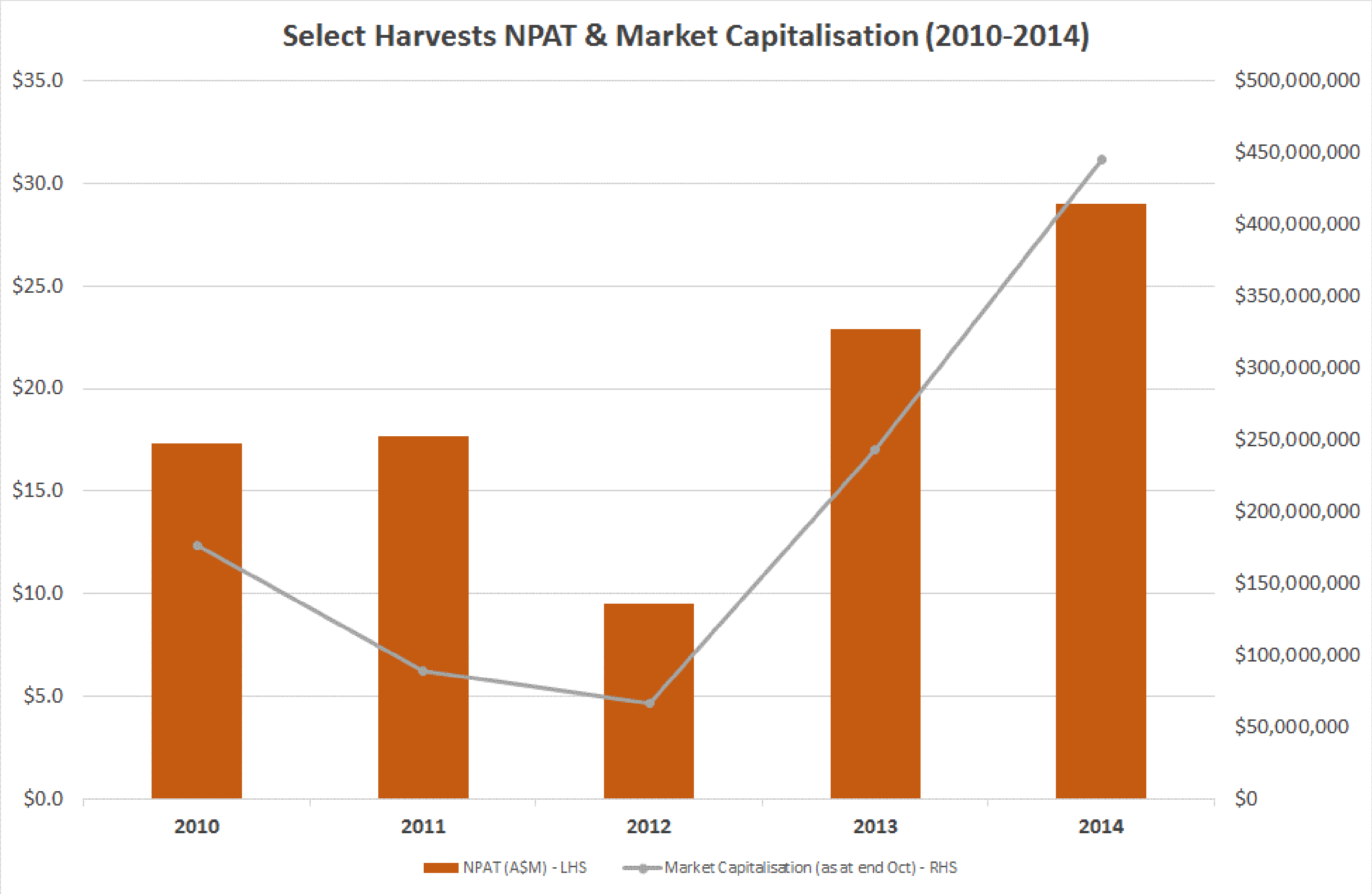
This presentation is provided for information purposes only and has been prepared using information provided by the company. The information contained in this presentation is not intended to be relied upon as advice to investors and does not take into account the investment objectives, financial situation or needs of any particular investor. Investors should consider their own individual investment and financial circumstances in relation to any investment decision.

Certain statements contained in this presentation may constitute forward-looking statements or statements about future matters that are based upon information known and assumptions made as of the date of this presentation. These statements are subject to risks and uncertainties. Actual results may differ materially from any future results or performance expressed, predicted or implied by the statements contained in this presentation

Select Harvests – Financial Performance



Select Harvests - Strategy

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1. CONTROL CRITICAL MASS OF ALMONDS
2. IMPROVE YIELD & CROP VALUE
3. BE BEST IN CLASS SUPPLY CHAIN
4. INVEST IN INDUSTRIAL & TRADING DIVISION
5. TURN AROUND PACKAGED FOOD BUSINESS
6. FIX OUR SYSTEMS & PROCESSES
7. ENGAGE WITH OUR PEOPLE & OUR STAKEHOLDERS

2018 Targets:

15%
ROCE

EPS
7-10% pa

10%
EBIT pa

Select Harvests - Brands

Orchards

Carina West Processing Facility & Laterals

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Carina West Processing Facility – Hulling & Shelling

Acquisition Video

2014/15 Acquisition video available on our website
www.selectharvests.com.au

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Agenda

Business Performance

- Almond Division
- Food Division

Strategy Update

- Overview
- Acquisitions
- Biomass / Cogeneration Plant
- Almond Dryer

Supply & Demand Drivers

- Global Update
- SHV, Crop & Price Update

FY14 Performance

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Earnings Before Interest & Tax ("EBIT")

- Reported FY14 EBIT $41.8M* - vs Reported FY13 EBIT $5.2M
- Underlying FY14 EBIT $41.8M* - up 11% vs Underlying FY13 EBIT $37.7M

Net Profit after Tax ("NPAT")

- Reported FY14 NPAT $29.0M* - vs Reported FY13 NPAT $2.9M
- Underlying FY14 NPAT $29.0M* - up 27% vs Underlying FY13 NPAT $22.9M

Cash flow/Gearing/Funding

- FY14 Operating cash flow $23.1M (FY13 $4.1M) – strong conversion
- Dual banking arrangement was agreed with NAB & Rabo including acquisition facility

Earnings Per Share ("EPS")

- Reported FY14 EPS 50.2 cents per share ("cps") - up 25% vs Underlying FY13 EPS 40.1 cps

Dividends

- Final Dividend (unfranked) 9 cps – last year Final Dividend 9 cps
- Full Year Dividends total 20 cents per share – last year Full Year Dividends totalled 12 cps

* FY14 includes $6.0M pre-tax revaluation of almond trees

Increased profit and strong cash flow generation despite lower than anticipated crop volumes

FY14 Performance

OHS & Environment

- OHS - Another improved safety result with group Lost Time Injuries (LTI) down 72.7%, year on year
- Zero major environment incidents

Acquisitions

- Allinga & Mendook

Other Achievements

- Consumer complaints down 20%
- Processing damage at Carina West processing facility down 22%
- Processing cost flat at Thomastown

Post Year End Events

- Amaroo acquisition – (including water acquisition - 6,215 ML)
- Mullroo (Grewal) acquisition
- Capital raising - $46.5M placement, $19.7M Share Purchase Plan
- Seven year high 41.7% Market Share Aug 2014 for Lucky Brand
- Industrial sales continue to grow

Performance improvement extends beyond the financials

Almond Division – Performance & Activities

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Performance

- Price - A$8.50/kg (FY13 A$6.38/kg) - up 33% - offsetting for reduced volume & quality
- Costs - increased due to impact of wet harvest
- $6.0M revaluation of trees supported by higher almond price
- FY14 Acquisitions - Allinga & Mendook (680 planted acres & 2,600 unplanted acres)
- FY15 Acquisitions - Amaroo & Mullroo - 2,481 planted acres & 2,865 unplanted acres in FY15 to date.

Activities

- Commenced orchard replant program 512 acres. Largely offset by Orchard maturity profile of portfolio
- Due diligence, bedding down and integration of acquisitions
- Improving on farm productivity and execution
- Planning orchards (replants/greenfields)
- Growing and supporting 2015 crop

SHV well positioned to take advantage of Supply & Demand fundamentals

Food Division – Performance & Activities

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Performance

- Industrial delivers another record result - 24% up on FY13
- Revenue reduction driven by loss of major retailer private label almond contracts
- Branded business remains strong
- Improved sales mix has driven margin improvement
- Production cost per kg remained flat year-on-year in spite of private label volume loss

Activities

- Brand relaunches (reformulate, relaunch) – Sunsol Mueslis, Lucky Smart Snax
- Absolute focus on margin management and return on investment
- Multiple Consumer products price increases
- Scoping new markets both local and export

Emergence of a Brand driven Food Business

Lucky™ Sunsol™ soland™ Nu-Vit™ Allinga Farms™ Renshaw™

Strategy - Sunsol & Lucky Smart Snax Relaunch

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New Branding & Packaging, New Formulation, Improved Margins

Strategic Objectives & Activities

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		FY13 INITIATIVES	FY14 INITIATIVES	FY15 INITIATIVES
1. CONTROL CRITICAL MASS OF ALMONDS	Secure the critical mass of nuts needed to maximize profitability and leverage the global almond opportunity.	• Acquired 1,286 acres almond orchard • Ceased WA investment	• Acquired 680 acres planted orchard • Acquired 1,000 acres unplanted • Replanted 512 acres @ higher densities	• Acquired 2,481 acres planted orchard • Acquired 4,465 acres unplanted • Acquired 6,215 ML high security water • Planting 948 acres Allinga
2. IMPROVE YIELD & CROP VALUE	Improve yield and overall crop value by perfecting on-farm and farm to factory practices.	• Restructured Horticulture Division • Investments in Benchmarking/Tech. • Improve efficiency/protect yield • $500K frost fans	• Total review of Horticultural assets • Further $500K frost fans • Additional harvest equipment	• Additional harvest equipment • Biostimulants trial • Trial catch & shake harvest technology
3. BE BEST IN CLASS SUPPLY CHAIN	Continuously improve our supply chain, achieving high quality, low cost and optimum capital utilisation.	• Restructured Operations Division	• Evaluate operational improvements & refine proposals • New Optical Sorter at Thomastown	• Biomass Electricity Cogen. Plant • Carina West Dryer
4. INVEST IN INDUSTRIAL & TRADING DIVISION	Allocate resources to leverage our trading skills and grow sales in the industrial channel	• Grew Industrial Division 40%	• Grew Industrial Division 24% through local and SE Asia customer base • Innovations assisted growth	• Expanding business with food processors in local and SE Asian markets
5. TURN AROUND PACKAGED FOOD BUSINESS	Develop a new model for the packaged food category that will deliver sustainable returns above the cost of capital.	• Exited unprofitable Retail Brand business • Product Research/Collect Insights	• Product Development - Innovation/Renovation/Reformulation/ Repackaging • Brand relaunch - Sunsol & Lucky Smart Snax	• Multiple relaunches & new products • Range rationalisation • New distributors - Thailand & Malaysia
6. FIX OUR SYSTEMS & PROCESSES	Develop the business systems and processes required to be a global industry leader.	• OHS improvement - LTI's dropped 60%	• OHS improvement - LTI's dropped 73% • New risk management framework • New OHS policies/procedures	• IT upgrade
7. ENGAGE WITH OUR PEOPLE & OUR STAKEHOLDERS	Engage with investors and our industry while developing the team required to be a global industry leader.	• Investor engagement – conferences, site tours and road shows	• Hort 3 training for Farm Management • Refreshed company website • Introduction of employee newsletters/intranet	• Further development of Performance Review process • Diversity Committee

Significant progress on implementation of company's 7 strategic platforms & transition to a fully integrated agribusiness

Acquisitions – Geographic Diversity, Scale & Future.

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Allinga – Loxton, SA (A$16.3M)

- 680 acres mature almond
- 948 acres suitable for planting to almonds (plant FY15)
- Gained SA water buyback/efficiency funding (Net $5m) - support new plantings

Amaroo – Paringa, SA (A$52.5M)

- 2,046 acres almond (1,288 acres mature, 758 acres immature)
- 1,500 acres suitable for planting to almond (plant FY16,17)*
- 6,215ML high security water entitlements
- 764 acres citrus (leased out)

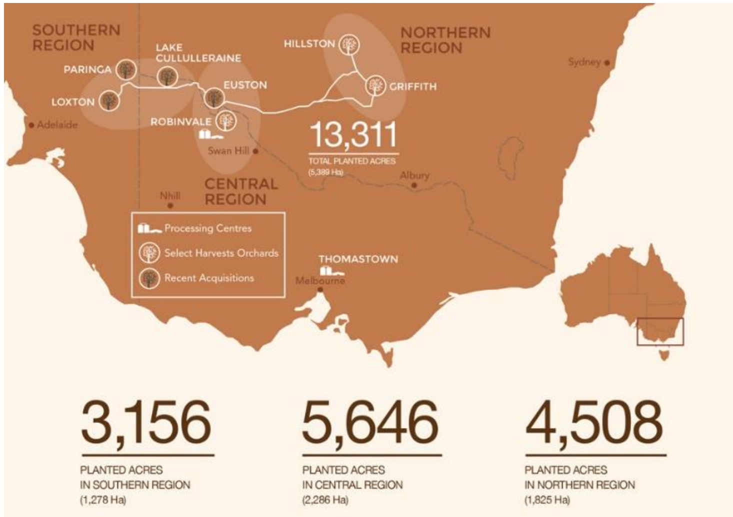
Mullroo (Grewal) – Lake Cullulleraine, VIC (A$8.5M)

- 435 acres almond (175 acres mature, 260 acres immature)
- 1,365 acres suitable for planting to almond (plant FY16, 17)*

Mendook – Euston, NSW (A$2.0M)

- 1,600 acres suitable for planting to almonds (plant FY16)*

* Subject to business case



Geographically diversified portfolio of 13,311 acres of planted almond orchard

Lucky Sunsol soland Nu-Vit ALLINGA FARMS RENSHAW

Strategy - Carina West Biomass Boiler

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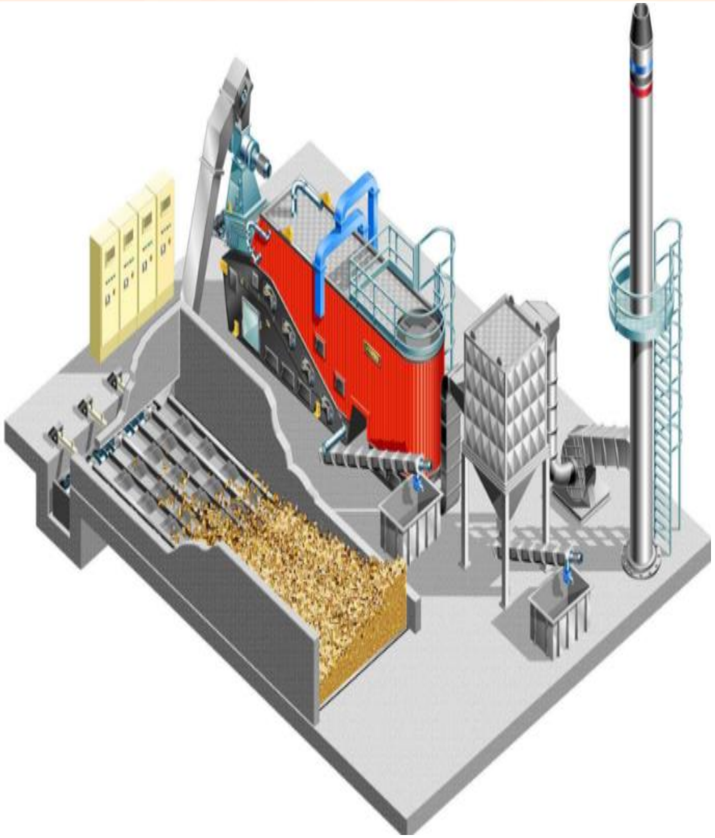

Project:

1. To use almond prunings, hull & shell to generate steam to supply a turbine which will generate of electricity & steam for Carina West facility & neighbouring farms.

2. Replace existing low voltage infrastructure with high voltage infrastructure, reducing buy price of electricity

Technology/Performance:

- Technology (EX Belgium) - over 4,000 installations globally, first with almond hull
- Turn key contract with Vyncke & Obrien's Boiler Services completed by Nov 2016
- Consumes 30,000 tonnes of orchard & production waste
- Operates 328 days 24/7
- Generates 2.5MW electricity p.a., 17.5 tonnes steam/hour
- Abates 23,500 tonnes of Greenhouse gases
- Requires 8 skilled FTEs to operate
- Bi product 1,500 tonnes of potash
- Excess energy to be feed into grid offset against other facility usage
- Vic Gov't has indicated support post election

Funding:

- Annual CAPEX Budget (On Balance Sheet)
- In the process of applying for financial support from Victorian Government

$11.9m with annual saving of $2m per annum once fully operational

Strategy - Field Stock Drying at Carina West

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Project:

1. To allow field crop harvested to be green or wet then secured and stored with out quality deterioration

Technology/Performance:

- Grain dryer which will reduce moisture by 5% per cycle
- 15 tonnes per hour of field or kernel weight
- Energy source: Diesel then direct stream from Biomass plant
- Commissioned Jan 2015 in time for next season
- Example from 2014 season:
  - 32,000 tonnes dried @ direct cost $320k
  - New drying direct cost projected savings over 50%

Funding:

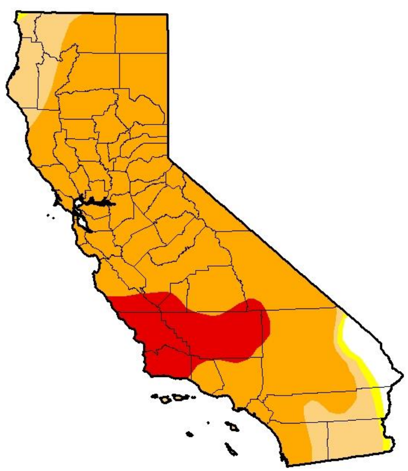
- Annual CAPEX Budget (On Balance Sheet)

New Dryer $720k at Carina West Processing will assist yield/quality retention in wet harvests

Global Supply - US Drought

U.S. Drought Monitor

California



October 29, 2013

(Released Thursday, Oct. 31, 2013)

Valid 7 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	2.66	97.34	95.98	84.12	11.36	0.00
Last Week *10/22/2013*	2.66	97.34	95.98	84.12	11.36	0.00
3 Months Ago *7/30/2013*	0.00	100.00	98.23	93.86	0.00	0.00
Start of Calendar Year *1/1/2013*	31.75	68.25	55.32	22.50	0.00	0.00
Start of Water Year *10/1/2013*	2.63	97.37	95.95	84.12	11.36	0.00
One Year Ago *10/30/2012*	6.73	93.27	68.48	19.10	1.14	0.00

Intensity:

- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
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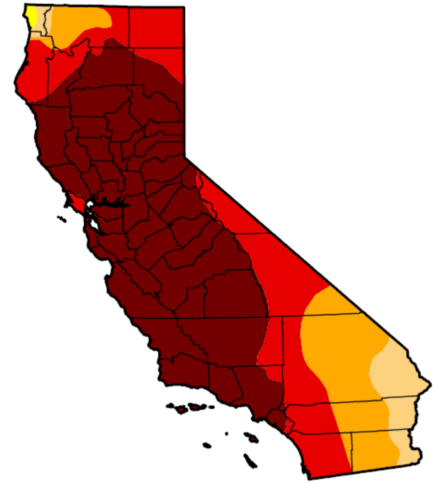
National Drought Mitigation Center

USDA National Drought Mitigation Center

http://droughtmonitor.unl.edu/

U.S. Drought Monitor

California



November 11, 2014

(Released Thursday, Nov. 13, 2014)

Valid 7 a.m. EST

Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	0.00	100.00	99.72	94.42	79.69	55.08
Last Week *11/4/2014*	0.00	100.00	99.71	94.42	79.69	55.08
3 Months Ago *8/12/2014*	0.00	100.00	100.00	99.80	81.92	58.41
Start of Calendar Year *12/31/2013*	2.61	97.39	94.25	87.53	27.59	0.00
Start of Water Year *9/30/2014*	0.00	100.00	100.00	95.04	81.92	58.41
One Year Ago *11/12/2013*	2.61	97.39	96.00	84.12	11.36	0.00

Intensity:

- D0 Abnormally Dry
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Author:
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USDA National Drought Mitigation Center

Orange States = Severe Drought

Red States = Extreme Drought

Dark Brown States – Exceptional Drought

SHV AGM 2013 – 0% Exceptional Drought, 11% Extreme Drought, 84% Severe Drought

SHV AGM 2014 – 55% Exceptional Drought, 80% Extreme Drought, 94% Severe Drought

ENTIRE US ALMOND INDUSTRY IS IN EXCEPTIONAL DROUGHT REGIONS

Global Supply - Crop Outlook & Price Update

US Crop Update (2013/14) - harvested

- Market estimate of USA 2013/14 Almond crop - now 1.7-1.8 billion pounds (Ref: Hilltop Ranch – 2 Nov 2014)
- Down 300-400 million pounds on original NASS Objective Estimate of 2.1 billion pounds

Free Trade Agreement (FTA)

- Recent FTA's between Australia and Japan, Korea & China – almond tariff reductions 2.4%, 8% and 10% respectively
- China is 2nd largest market for almonds globally – rapid growth in last decade – majority supplied from US
- Improves Select Harvests competitive position against current suppliers (mainly USA)

SHV Crop Update (2014/15) - growing

- Good blossom & pollination
- Growing conditions have been good
- Current estimate is for a good average crop
- 2014/15 crop estimate: approx. 13,000 tonnes (based on maturity profile of orchards & condition of acquired orchards)

Price (A$)

- SHV current FY15 pool price estimate is 10-15% above SHV FY14 average price (A$8.50/kg)
- Anticipate price to remain stable for the foreseeable future

Outlook – Business Focus

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Almond Division

- Maximise 2015 crop
- Integrate acquisitions
- Prepare for 2015 & 2016 greenfield plantings & funding options
- Development of orchard benchmarking
- Implement CAPEX: Dryer, Biomass etc
- Secure further mature orchards

Food Division

- Continue innovation stream in industrial/packaged goods segment
- Raise the bar on quality and increase velocity of new product development
- Increase focus on SE Asia customer base

Corporate

- Invest in business systems and IT platform
- Undertake strategy review

Significant opportunity to improve the base business

Thank you

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Income Statement

Financial Result	FY13 ($m)	FY14 ($m)
Reported Result		
EBIT - Reported	5.2	41.8
Interest	(5.0)	(4.5)
NPBT	0.2	37.4
Tax (Expense)/Benefit	2.7	(8.3)
NPAT - Reported	**2.9**	**29.0**
Pre-Tax Adjustments*	32.5	-
Underlying Result		
EBIT - Underlying	37.7	41.8
Interest	(5.0)	(4.5)
NPBT	32.7	37.4
(Tax Expense)	(9.8)	(8.3)
NPAT – Underlying	**22.9**	**29.0**

* WA impairment and discount on acquisition

- **FY14 EBIT $41.8m (FY13 $37.7m)**
- **Almond Division EBIT $40.8m (FY13 $36.4m)**
  - Strong performance
    - 2014 crop yield below expectations
    - Higher than anticipated yields and prices for 2013 crop
    - Benefit of tree valuation of $6m
  - 2014 costs up due to wet harvest season
- **Food Division EBIT $5.6m (FY13 $5.5m)**
  - Industrial sales up 24%
  - Improved sales mix towards branded products
  - Improved price management and cost control
- **Corporate costs $4.6m (FY13 $4.1m)**
- **Tax expense includes R&D tax credit $1.8m**
- **NPAT up 27% to $29m**

Strong Result – opportunity for growth from increased yield potential and food turnaround

Balance Sheet

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Year Ending Balance Sheet	Jun-13 ($m)	Jun-14 ($m)
Current Assets excl. Cash	114.4	130.3
Cash	8.9	6.3
Non Current Assets	180.5	204.6
Total Assets	**303.8**	**341.2**
Current Liabilities (excl. Borrowings)	35.9	25.7
Borrowings	88.1	101.1
Non Current Liabilities (excl. Borrowings)	20.3	31.7
Total Liabilities	**144.3**	**158.5**
Total Equity	**159.5**	**182.8**
Net Debt	79.2	94.8
Net Debt /Equity	*49.7%*	*51.9%*

- **Banking refinance, increase & extension complete**
  - NAB & Rabobank - $135m
  - $50m term expiring 2018
  - $60m line - working capital & business projects
  - $25m acquisition line
  - Additional $50m acquisition bridge facility approved on 22 August 2014
- **Timing of new crop sales & receipts**
  - Straddles 30 June balance date
  - Significant receipts since then
- **Net Debt $94.8m (includes funding of $16.3m Allinga acquisition in FY14)**
- **Gearing 51.9% (debt/equity)**
  - Long term target to be below 40%
  - September 2014 equity raising to maintain current gearing

Achieve & maintain a prudent and flexible balance sheet to support growth strategy

Cash Flow

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Cash Flow	FY13 ($m)	FY14 ($m)
EBITDA – (FY13 Underlying)	42.5	45.6
Change in Working Capital	(34.2)	(17.8)
Taxes Received	0.9	-
Net Interest	(5.1)	(4.7)
Cash flow from operating activities	**4.1**	**23.1**
Investing cash flows	(13.9)	(29.9)
Increase in Debt	19.3	12.5
Dividends Paid	(2.4)	(8.8)
Net Increase/(Decrease) in Cash/Cash Equivalents	**7.0**	**(3.1)**

- **The majority of the 2014 crop held at 30 June expected to convert to cash in 1HFY15**
- **Investing cash flows driven by:**
  - Orchard acquisitions $16.3m (Allinga)
  - PPE $8.6m
  - Water $3.5m
  - Trees $1.5m
- **Capex - FY15**
  - Trees – commence investment in planting out greenfield land bank
  - Increased harvest matrix and mechanical drying

Strong operating cash flow conversion from existing assets

Financial History

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SHV Historical Summary	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Sales	(A$M)	217.9	229.5	224.7	248.6	238.4	248.3	251.3	191.1	**188.3**
EBIT	(A$M)	38.4	40.5	27.1	26.8	26.0	22.6	19.6	37.7	**41.8**
EBIT Margin (EBIT/Sales - %)	*(%)*	*17.6%*	*17.6%*	*12.1%*	*10.8%*	*10.9%*	*9.1%*	*7.8%*	*19.7%*	***22.2%***
PBT	(A$M)	37.9	40.0	25.4	23.0	23.6	18.5	13.4	32.7	**37.4**
Underlying NPAT	(A$M)	26.5	28.1	18.1	16.7	17.3	17.7	9.5	22.9	**29.0**
Issued Shares	No. of Shares	39.7	38.7	39.0	39.5	39.8	56.2	56.8	57.5	**58.0**
Earnings Per Share	(AUD Cents per Share)	67.1	71.0	46.7	42.6	43.3	33.7	16.8	40.1	**50.2**
Dividend per Share	(AUD Cents per Share)	53.0	57.0	45.0	12.0	21.0	13.0	8.0	12.0	**20.0**
Payout Ratio	*(%)*	*80.0%*	*80.0%*	*96.7%*	*28.2%*	*48.5%*	*38.6%*	*47.6%*	*29.9%*	***39.8%***
Net Tangible Assets per Share	(A$/Share)	1.83	1.57	1.41	1.56	1.87	2.17	2.19	2.14	**2.47**
Net Interest Cover	(times)	82.3	75.8	15.6	7.1	10.7	6.7	3.2	7.5	**9.3**
Net Debt	(A$M)	1.3	1.6	46.8	52.4	45.0	73.1	66.8	79.3	**94.8**
Shareholder Equity	(A$M)	101.5	95.5	94.1	100.9	113.6	168.8	160.3	159.5	**182.8**
Net Debt to Equity Ratio	*(%)*	*1.3%*	*1.7%*	*49.7%*	*51.9%*	*39.6%*	*43.3%*	*41.7%*	*49.7%*	***51.9%***
Share Price	(A$/Share)	13.02	11.60	6.00	2.16	3.46	1.84	2.40	3.9	**5.14**
Market Capitalisation	(A$M)	517.0	449.4	234.1	85.4	137.6	103.5	120.0	224.3	**298.12**
P/E Ratio		19.5	16.0	12.9	5.1	8.0	5.8	12.6	9.8	**10.2**

Source: Company Data

Orchard Profile – Young Orchards PLUS Longevity

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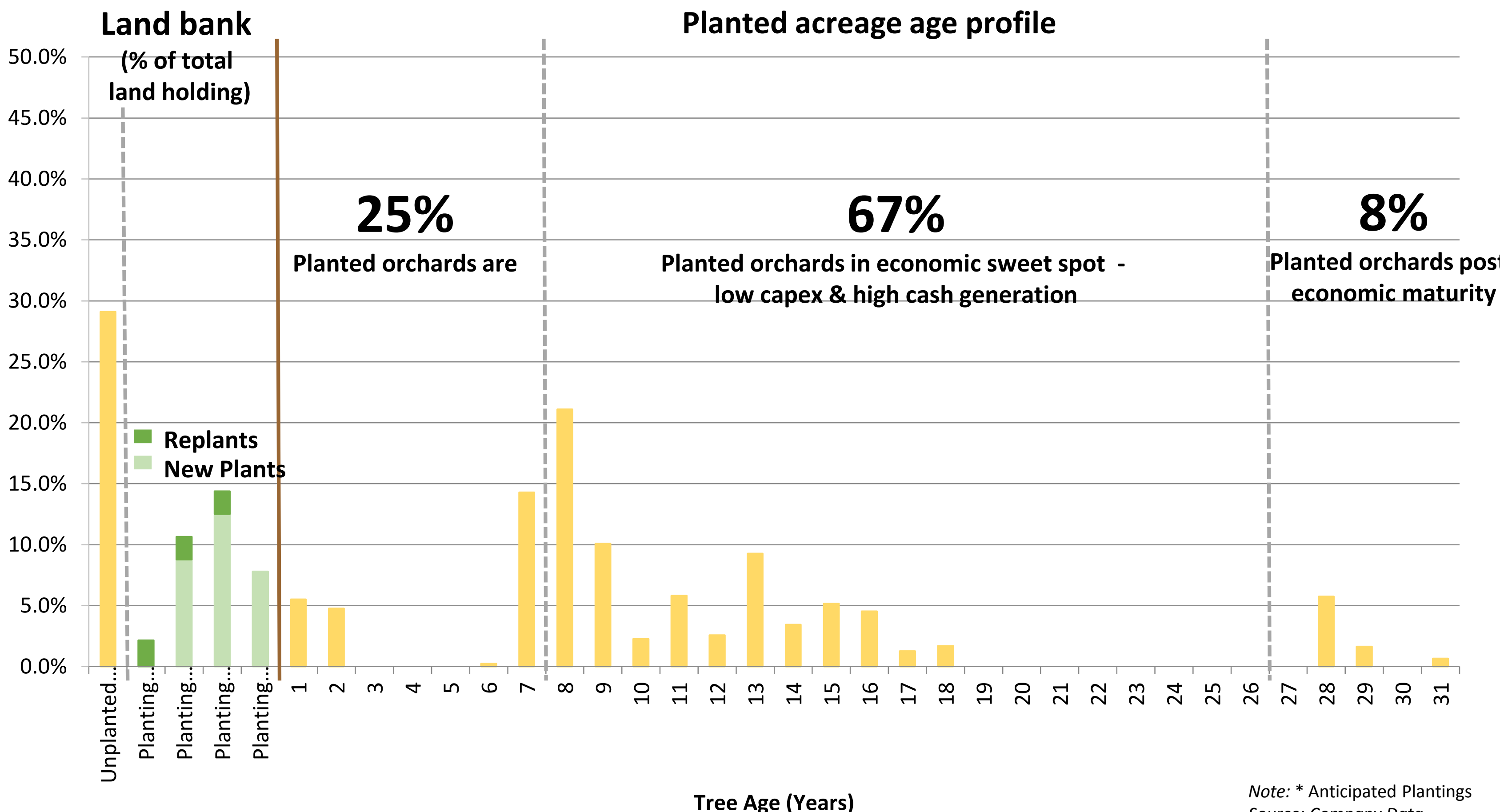

Note: * Anticipated Plantings
Source: Company Data

Select Harvests almond orchards have an average age of 10.9 years. On track to double acreage by 2018.

Lucky Sunsol soland Nu-Vit Allinga Farms Renshaw

2015 Orchard Profile

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Almond orchard portfolio	Planted Orchard Area (acres)	Planted Orchard Area (hectares)	Bearing Orchard Area (acres)	Bearing Orchards Area (hectares)
Northern Region				
Owned	1,491	604	1,423	576
Leased	3,017	1,221	3,017	1,221
Total	**4,508**	**1,825**	**4,440**	**1,798**
Central Region				
Owned	4,165	1,686	3,554	1,439
Leased	1,481	600	1,481	600
Total	**5,646**	**2,286**	**5,035**	**2,039**
Southern Region				
Owned	3,156	1,278	2,467	999
Leased	-	-	-	-
Total	**3,156**	**1,278**	**2,467**	**999**
Total All Regions				
Owned	8,812	3,568	7,444	3,014
Leased	4,498	1,821	4,498	1,821
Total	**13,311**	**5,389**	**11,943**	**4,835**

Land bank (unplanted)	Acres	Hectares
Northern Region	-	-
Central Region	1,600	648
Southern Region	3,865	1,565
Total all Regions	**5,465**	**2,213**

Source: Company Data

2015 Orchard Profile

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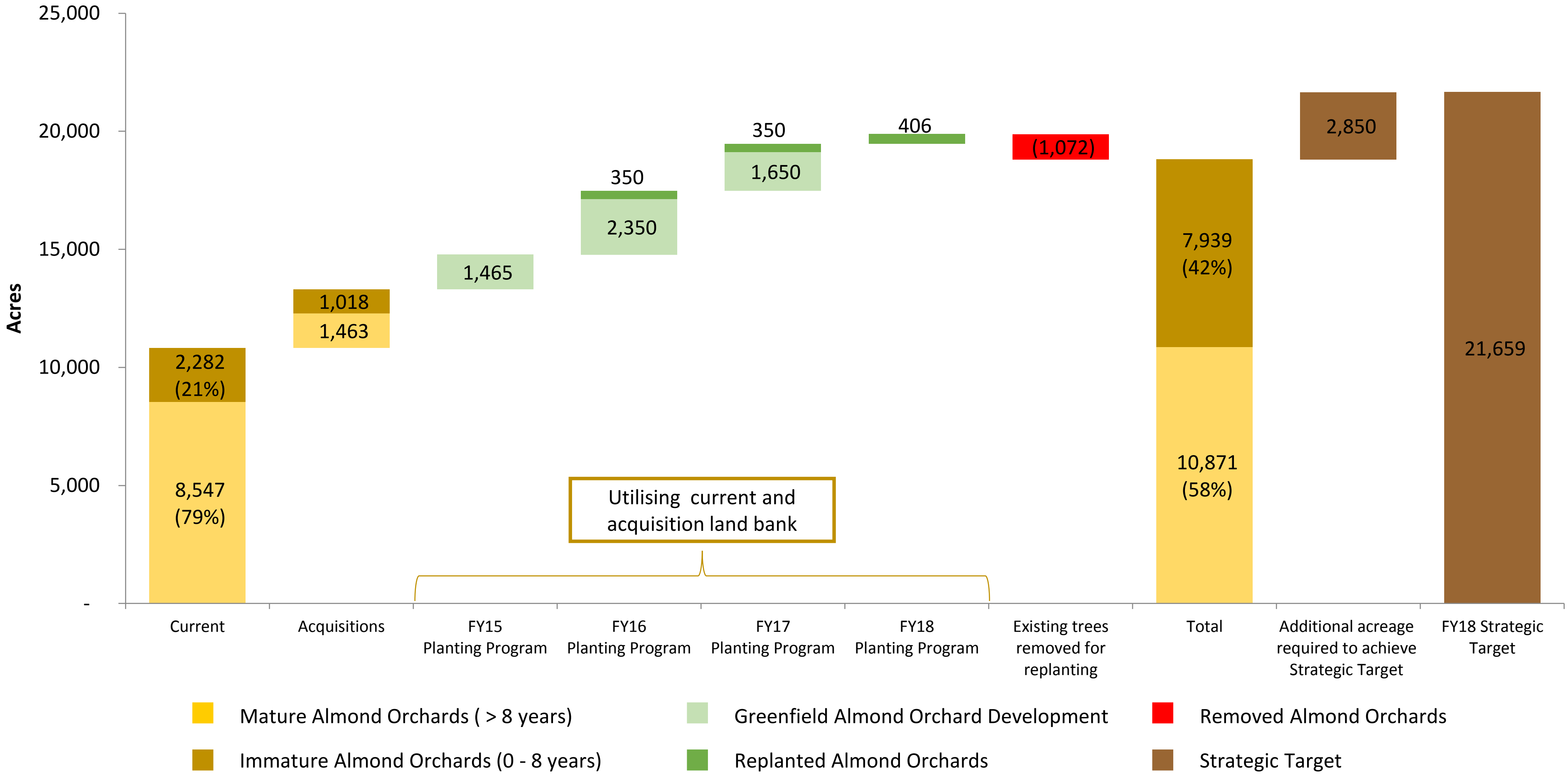
	AREA BY TREE AGE											
	Years 0-7		Years 8-26		Years 26+		TOTAL PLANTED		AVAILABLE TO PLANT		TOTAL	
	(acres)	(ha)	(acres)	(ha)	(acres)	(ha)	(acres)	(ha)	(acres)	(ha)	(acres)	(ha)
Northern Region												
Company Owned	312	126	1,179	477	-	-	**1,491**	**604**	**-**	**-**	**1,491**	**604**
Leased	1,332	539	1,685	682	-	-	**3,017**	**1,221**	**-**	**-**	**3,017**	**1,221**
Total	**1,644**	**666**	**2,864**	**1,160**	**-**	**-**	**4,508**	**1,825**	**-**	**-**	**4,508**	**1,825**
Central Region												
Company Owned	638	258	2,455	994	1,072	434	**4,165**	**1,686**	**1,600**	**648**	**5,765**	**2,334**
Leased	-	-	1,481	600	-	-	**1,481**	**600**	**-**	**-**	**1,481**	**600**
Total	**638**	**258**	**3,936**	**1,594**	**1,072**	**434**	**5,646**	**2,286**	**1,600**	**648**	**7,246**	**2,934**
Southern Region												
Company Owned	1,018	412	2,138	866	-	-	**3,156**	**1,278**	**3,865**	**1,565**	**7,021**	**2,843**
Leased	-	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**	**-**
Total	**1,018**	**412**	**2,138**	**866**	**-**	**-**	**3,156**	**1,278**	**3,865**	**1,565**	**7,021**	**2,843**
TOTAL												
Company Owned	1,968	797	5,772	2,337	1,072	434	**8,812**	**3,568**	**5,465**	**2,213**	**14,277**	**5,780**
Leased	1,332	539	3,166	1,282	-	-	**4,498**	**1,821**	**-**	**-**	**4,498**	**1,821**
Total	**3,300**	**1,336**	**8,938**	**3,619**	**1,072**	**434**	**13,311**	**5,389**	**5,465**	**2,213**	**18,776**	**7,601**

Source: Company Data

Significant Orchard Growth. Double plantings by 2018

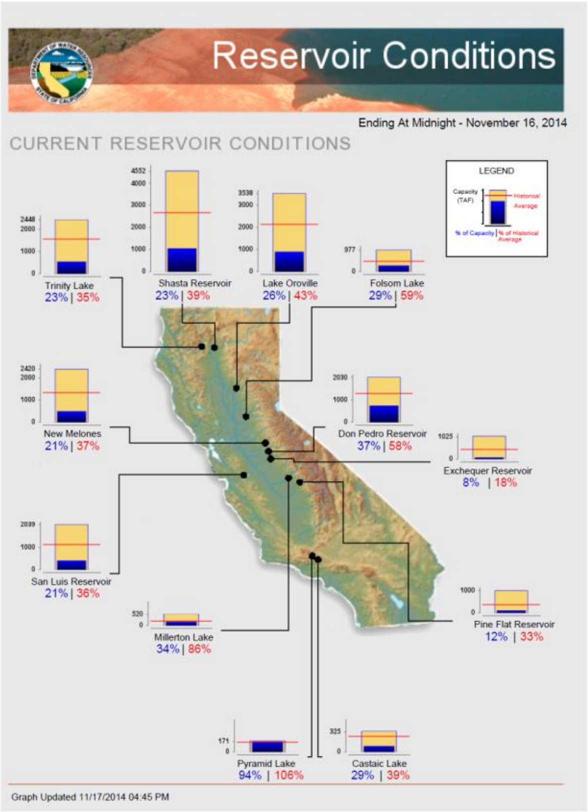
SELECT HARVESTS



Growth - 5,465 acres of unplanted land suitable for almonds will be planted over the next 4 years

Global Supply – US Reservoirs/Temp/Snowpack

SELECT HARVESTS



Temperature

- **Six Months In and Sizzling California Sets Record - Andrea Thompson, Climate Central, 16 July 2014**
  - California just finished the hottest first half year on record, a period going back 120 years, according to the national climate overview for June released by the National Oceanic and Atmospheric Administration (NOAA).
  - http://www.climatecentral.org/news/california-warmest-year-record-17774

Snowpack

- **California drought: Sierra snowpack is barely there - Peter Fimrite, SFGate, San Francisco Chronicle , 2 May 2014**
  - The snow levels in the Sierra were only 18 percent of average on Thursday, when the last of the season's once-a-month measurements was taken by the California Department of Water Resources. That's worse than last month, when the snowpack was 32 percent of normal for the date. Conditions get worse the farther north one goes in the Sierra and Cascade ranges. The snowpack is a paltry 7 percent of average in the northern part of the state, according to the measurements
  - http://www.sfgate.com/science/article/California-drought-Sierra-snowpack-is-barely-5446649.php

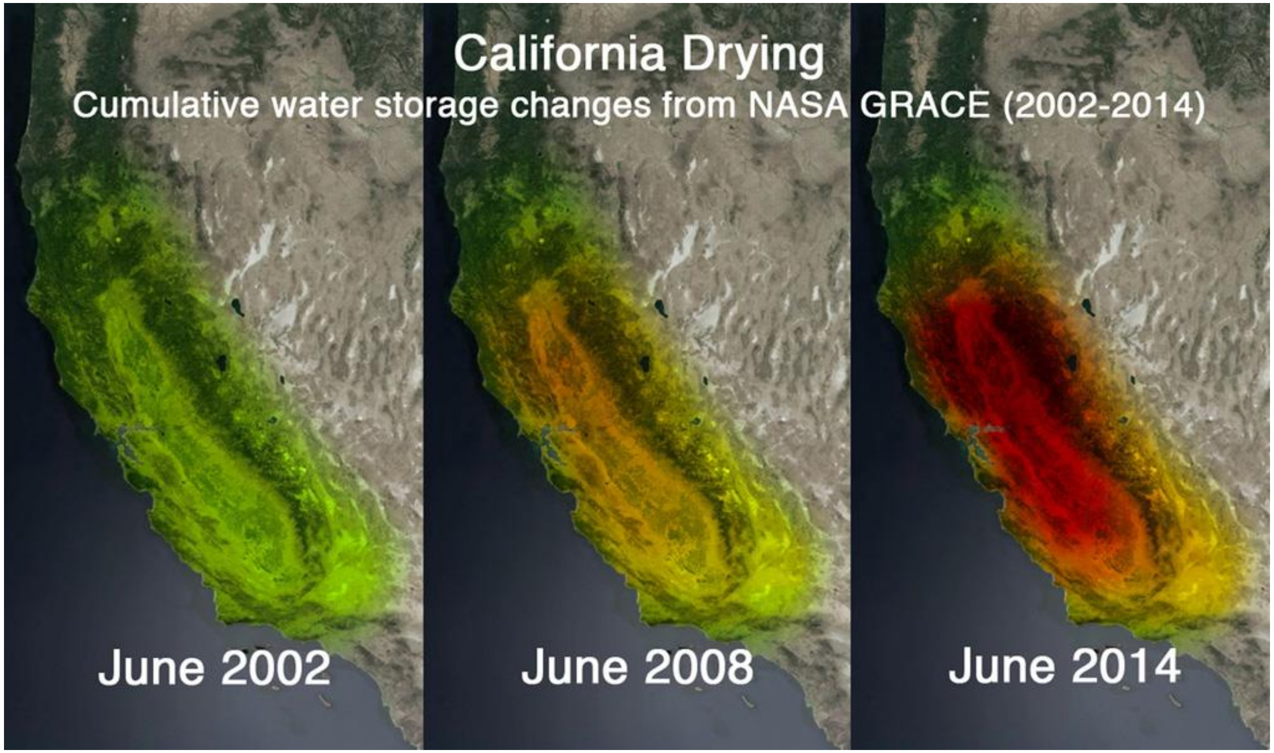
Reservoir Conditions: Most storages have less than half of their historical average water levels

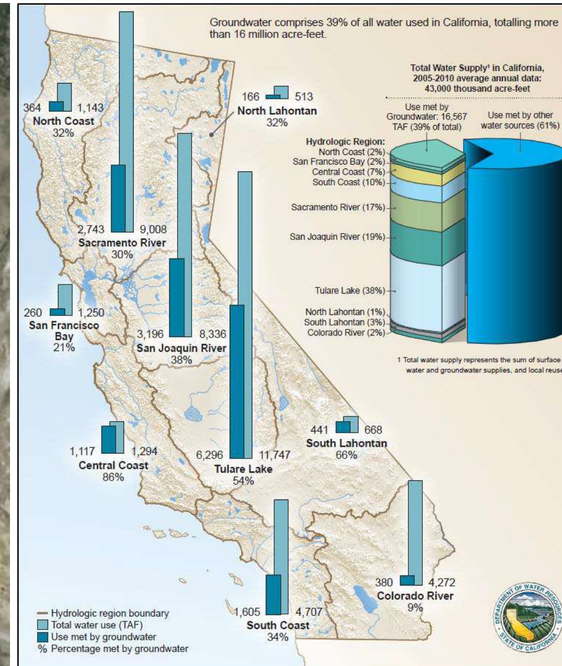
Temperature: Hottest 6 months on record drives evaporation/transpiration

Snowpack: Historically low snowpack which provide the surface water / ground water recharge is concerning

Global Supply - US Groundwater Levels

SELECT HARVESTS





Source: *Draft California Water Plan Update 2013*, Department of Water Resources

This trio of images depicts satellite observations of declining water storage in California as seen by NASA's Gravity Recovery and Climate Experiment satellites in June 2002 (left), June 2008 (center) and June 2014 (right). Colors progressing from green to orange to red represent greater accumulated water loss between April 2002 and June 2014. California's Sacramento and San Joaquin River basins, including the Central Valley, have suffered the greatest losses, in part due to increased groundwater pumping to support agricultural production. Between 2011 and 2014, the combined river basins have lost 4 trillion gallons (15 cubic kilometers, or 12 million acre-feet) of water each year, an amount far greater than California's 38 million residents use in cities and homes annually.

Source: NASA (http://www.jpl.nasa.gov/spaceimages/details.php?id=PIA18816)

Source 2: Dept of Water Resources, California (http://www.water.ca.gov/waterconditions/docs/Drought_Response-Groundwater_Basins_April30_Final_BC.pdf)

Groundwater accounts for 30-60% of California water use. NASA data shows serious water loss since 2002

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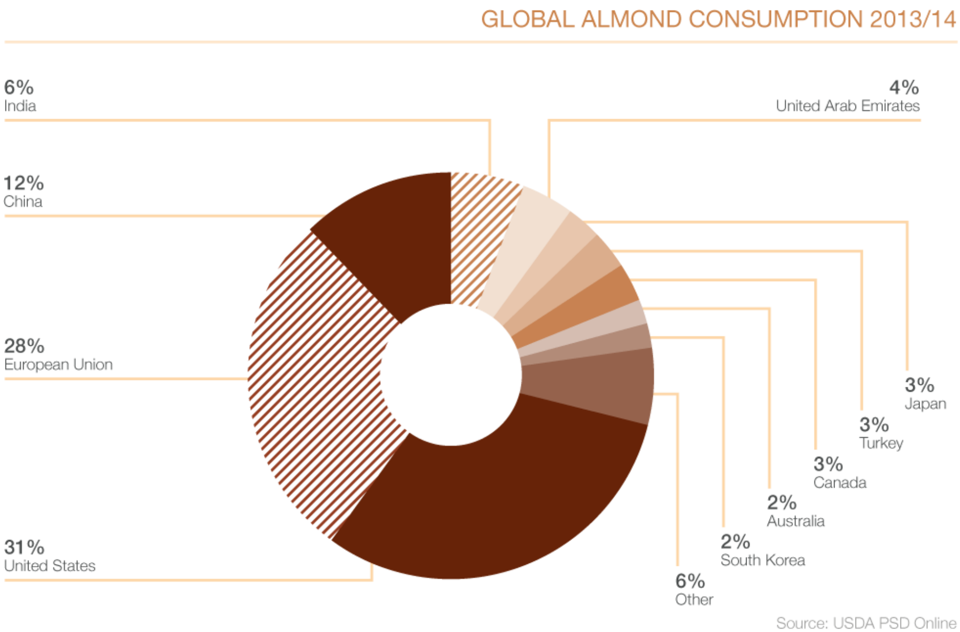
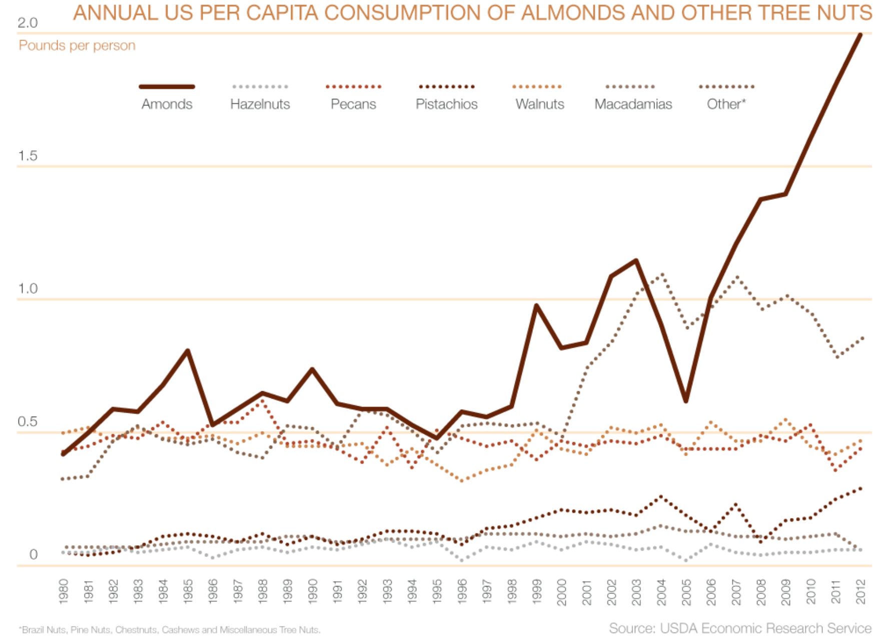
SELECT HARVESTS





Almonds have held the No.1 position in global tree nut innovations since 2006 (35% market share 2013).

Long term US per capita consumption of almond outpaces all other tree nuts (376% growth since 1980)