



SELECT HARVESTS

Select Harvests Limited (ABN 87 000 721 380)
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www.selectharvests.com.au

ASX Release – Company Announcement

15th September 2022

SELECT HARVESTS LIMITED – CROP, MARKET AND POLLINATION UPDATE

2022 Crop Update

80% of the 2022 crop has been processed. We are forecasting the 2022 crop to be between 28,800 MT and 29,200 MT vs 1H FY2022's half year fair value assumed volume of 29,630 MT (2021 crop volume was 28,250 MT). As previously advised the wetter than normal harvest conditions have resulted in lower volume, reduced inshell plus additional drying and operational costs.

72% of the 2022 crop is committed (including internal sales). The forecast fair value sales price is slightly higher at \$6.75/kg compared to previously advised fair valuation sales price of \$6.64. It should be noted that most of the uncommitted portion of the crop is made up of the lower value grades.

100% of the 2022 crop is covered at 0.72AUD/USD. Shipping challenges have eased, we have continued to focus our marketing efforts on the nearby Indian, South East Asian and Chinese markets.

Market Conditions

In July 2022 the United States Department of Agriculture released the 2022 Objective Measurement crop estimate of 2.6 billion pounds, down 11% on the 2021 actual crop of 2.92 billion pounds.

The harvest climatic conditions in both California and Spain have been extremely hot. Early reports from both regions are that volume is significantly down. Almond sizing and quality reportedly have been adversely impacted.

With uncertainty around the full impact of the drought, market pricing has strengthened in the last few weeks, particularly for the Non Pareil variety, with inshell and larger sized kernel still attracting premiums. A further insight into the long-term drought impact will be provided in November 2022 when the Californian Almond Board releases the Final LandIQ Standing Acreage Report.

The August 2022 Almond Board of California Position Report saw monthly shipments up 10.1% on August 2021. Shipments to China and the Middle East markets showed strong growth while the European and US markets remained flat. August is the first month of the 2022 US Crop Year.

The Almond Board of Australia's July 2022 Position Report reported that, after the first four months of the 2022 crop reporting period, shipments were down 7%, with inshell shipments down 25% due a lack of suitable product. China continues to be a strong market with shipments up 23%.

2023 Crop Pollination

The Almond Board of Australia estimated that, due to the South Australian and Victorian Biosecurity restrictions, Victorian almond growers were 50,000 hives short.

Select Harvests was able to meet its minimum hive requirement on all orchards. Due to co-operation between our staff and our loyal apiarists we were able to optimise pollination through the strategic placement of hives and the use of pheromones to encourage bee flight efficiency.

Our most recent assessment of our orchards post pollination, forecasts that our 2023 crop will be approximately 30,000 MT. This forecast is subject to normal ongoing growing conditions. Unlike the last two seasons we have experienced very few frost events. It is still early in the horticultural cycle and a more accurate forecast will be undertaken at the nut set stage during December.

Conclusion

Select Harvests Managing Director, Paul Thompson said: **“The strengthening of almond pricing is pleasing. The Select Harvests' team have had to manage some difficult market and operational challenges over the last eighteen months. Market demand is beginning to build, and the Select Harvests' team continues to focus on the basics: cost, quality, volume and price realization. The pollination of our 2023 crop is just another example of how having the right team makes the difference.”**

ENDS

This announcement has been approved by the Board of Select Harvests.



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About Select Harvests:

Select Harvests Ltd (ASX: SHV) is an ASX-listed, fully integrated almond business consisting of orchards (company owned, leased, joint venture and managed), primary processing (hulling & shelling), secondary value-added processing (blanching, roasting, slicing, dicing, meal and paste) under the Renshaw & Allinga Farms industrial brands. Australia is a significant global almond producer and Select Harvests are one of Australia's largest almond companies, supplying almonds domestically and internationally, to supermarkets, health food stores, other food manufacturers, retailers, and the almond trade.

The company is headquartered at Richmond, an inner eastern suburb of Melbourne, Australia, while its orchards are in Northwest Victoria, Southern New South Wales and South Australia. Its almond processing and value-adding facility (Carina West) is located at Wemen in Northwest Victoria. For more information, visit www.selectharvests.com.au