

13<sup>th</sup> July 2021



SELECT HARVESTS

## SELECT HARVESTS LIMITED CROP AND MARKET UPDATE

Paul Thompson, Managing Director of Select Harvests Limited ("SHV"), is pleased to announce the following update on the 2021 crop and current market conditions.

### Crop Update

Harvest has been completed and 100% of the 2021 crop has been delivered to our Carina West processing facility. With over 60% of the crop processed we estimate the crop volume, including from the acquisition of the Piangil orchard, to be approximately 28,250 MT (2020 crop volume was 23,250 MT).

Processing productivity continues to improve, with prior year investments in technology delivering efficiency gains and further enhancing post farm gate quality.

### Market Conditions

The Almond Industry has experienced significant growth in global demand across all markets, particularly in our traditional almond markets: India, Europe and China.

Californian domestic and export almond shipments year to date (August 2020 – June 2021) are up 21.7% and forward commitments are up 34.0% lifting the combined shipped/committed volume to 3.16 billion pounds (compared to last year's volume of 2.56 billion pounds). Shipments are occurring at an unprecedented pace, with historic monthly shipment records being set in 10 out of the 11 months of the season to date. While uncommitted inventory is up 29.4% to 326 million pounds (compared to last year's 252 million pounds) this is now down to manageable levels with carryout volumes expected to drop below 600 million pounds following July's shipments. Forward commitments for the 2021 crop are down 29% vs the same period last year with growers reluctant to sell waiting to understand the potential impact of the drought on supply.

Australian almond exports Year on Year (March – April) are up 54%, with the South/Central Asia (India) market up 200%, Europe up 69% and North East Asia (China) market up 9% during the period.

Last night, the US Department of Agriculture released the 2021 Objective Crop Estimate for the 2021 US almond crop of 2.8 billion pounds, down 12.5% on the 3.2 billion pound Subjective Estimate released on 12 May 2021 (2020 crop volume was 3.12 billion pounds). With the California drought worsening in recent months, the Subjective Estimate has proven to be too optimistic. The Objective Estimate is now in line with consensus industry forecasts for the 2021 Californian crop. Continued strong shipment numbers and the worsening drought situation in California have led to an appreciation in almond pricing of between 5% and 10% over the last 6 weeks.

60% of Selects Harvests' 2021 crop is committed (including internal sales) at prices in the range of A\$5.90/kg - A\$6.40/kg. It should be noted the un-committed portion of the crop is the lower value grades. 90% of the crop is covered at 0.73AUD/USD and the current market price is in the range of A\$6.20 - \$6.60. Both Australian and US processors are experiencing some shipping delays due to container shortages, however we are experiencing only minor related cashflow delays.

The development of Select Harvests' 2022 crop is progressing well with good tree health and sufficient chill hours as we head towards pollination in August. Again, we have volumes benefiting as our younger orchards reach maturity. Water supply and pricing is much improved on recent years and the ongoing focus for 2021 is to maintain the high standard of our horticultural practices and deliver another strong crop.

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## Conclusion

Paul Thompson said: "Record almond shipments and the worsening Californian drought have led to a recent price appreciation. Demand for almonds, both in their natural form and as a value-added food ingredient, in products such as plant based milks and yoghurts, continues to grow. Thanks in part to the December 2020 acquisition of Piangil Almond orchard, Select Harvests is set to achieve a record almond crop of 28,250MT in 2021. With good progress being made on the 2022 crop, Select Harvests remains focused on the factors within its control, including almond volume, quality, value adding and operating costs."

This announcement has been approved by the Board of SHV.

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## FOR FURTHER INFORMATION, PLEASE CONTACT:

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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 processing (blanching, roasting, slicing, dicing, meal and paste), trading (industrial products) and Consumer products (Brands - Lucky, Sunsol, NuVitality, Renshaw & Allinga Farms, as well as providing Retailer brands). Select Harvests imports a full range of nuts (in addition to its almonds) and a wide range of other ingredients for inclusion in their Consumer Products range. 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 Thomastown on the outskirts of Melbourne, Australia while its orchards are in North West Victoria, Southern New South Wales and South Australia. The primary Almond processing facility (Carina West) is located at Wemen in North West Victoria and the second processing, value-adding and packing facility is located at Thomastown.

For more information, visit [www.selectharvests.com.au](http://www.selectharvests.com.au)