

8 July 2020



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 2020 crop and current market conditions.

### Crop Update

Harvest has been completed and 100% of the 2020 crop has been delivered to our Carina West processing facility. With 60% of the crop processed we estimate the crop volume to be approximately 23,000 MT (2019 crop volume was 22,690 MT).

Overall the crop quality is good, however a portion of the crop has been impacted by late harvest rains and wet storage conditions.

The wetter conditions have driven pleasing water price reductions, but have also negatively impacted the demand for almond hull from the stockfeed industry.

The productivity levels at our Carina West Processing Facility have continued to improve, benefiting from our investment in new sorting technology.

### Market Conditions

Our export customers have now commenced taking shipments at near normal levels. The domestic market has been stable with a shift from the Food Service segment into the Retail segment.

The April 2020 Almond Board of Australia Position Report (March - April) reported that Year on Year Australian almond exports were down 29%. The China market was stable, down 1% for the period, whilst India and Europe were down 72% and 16% respectively. Many markets have delayed shipments as a result of lower demand caused by COVID-19 impacts

The May 2020 Almond Board of California Position Report (August- May) reported the 2019 US crop unchanged at 2.5B lbs, up 11.8% on the prior year. Year to date shipments are up 3.7% and forward commitments are up 25.8% on the prior year, while uncommitted inventory is up 20.7%.

Last night, the US Department of Agriculture released the 2020 Objective Crop Estimate for the US almond crop of 3.0B lb (1.36 million MT), consistent with the Subjective Estimate provided on 12 May 2020. We anticipate as a result of this forecast market prices should firm.

The forecast larger US crop and the challenges relating to market access has resulted in aggressive selling by some marketers resulting in a significant softening in pricing and as a consequence the market has seen contract defaults. Select Harvests' 2020 crop is over 80% committed (including internal sales) at prices in the range of A\$7.25 - A\$7.75/kg.

Underlying global demand remains strong and we are confident consumption will continue to grow as distribution channels return to normal.

We have commenced our 2021 horticultural programs - tree health is good and to date chill hours and forecast rainfall are delivering the best conditions we have seen in the last 3 years.

As a result of recent negotiations with Woolworths, 6 additional Lucky products have been accepted into their range and we anticipate they will be in store in September 2020.

This announcement has been approved by the Board of SHV.

ENDS

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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 & 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)