

1 October 2020



SELECT HARVESTS

SELECT HARVESTS LIMITED CROP AND MARKET UPDATE

SHV 2020 crop and price update

Select Harvests Limited (“SHV”, “Select Harvests”) Managing Director, Mr Paul Thompson, said “91% of hulling and shelling of the Select Harvests 2020 crop is completed, with the remainder expected to be completed by mid-October. I am very pleased to advise the 2020 crop volume has increased to greater than 23,250 MT, up on the 2019 crop of 22,690 MT. With sales nearing completion, the 2020 crop pricing (including internal sales) will remain as previously advised in the range of A\$7.25 - A\$7.75/kg. COVID-19¹ has caused market access interruptions, however, momentum has increased in the last month.”

For the year ended 30 September 2020 Select Harvests expects EBIT to be in line with consensus.

Almond market conditions

The 2020 Objective Crop Estimate for the US almond crop was 3.0 billion lb (1.36 million MT). Due to weather conditions, the US harvest commenced early. Crop receipts are up 36% vs the same period last year and initial indications are sizing is generally smaller.

The August 2020 Almond Board of California Position Report released on 12 September 2020 shows global demand is rebounding.

August US crop shipments of 193 million lb were up 31% on August 2019. August Export shipments were up 49%, US domestic shipments were up 6%. Forward crop commitments (crop sold, not yet shipped) were up 88% (494 million lb). Comparatively, the total Australian crop is forecast to be 234 million lb.

The Californian crop is 37% sold (shipments + commitments) compared to 29% sold at the same time last season, buyers are taking advantage of lower prices. We expect consumption will continue to grow as distribution channels return to normal.

The Australian Almond Board’s July 2020 Export Position reported shipments were down 37% on the same period last year. This shortfall can be largely attributed to the disruption to market access caused by COVID-19.

SHV 2021 outlook

Commenting on SHV’s 2021 outlook, Mr Paul Thompson said “Pollination is complete. We are now at the fruit sizing stage in the horticultural cycle. Tree health and crop outlook is positive. Recent rains have resulted in higher annual water allocations and lower water market pricing. At this early stage, the outlook for the SHV 2021 crop is positive.”

Select Harvests has been acquiring lease and temporary water in recent months given the favourable water pricing environment. Together with its current water portfolio and the 1,877ML high security water acquired with the Piangil Almond Orchard acquisition

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¹ SHV has not been eligible for JobKeeper.

announced today, Select Harvests remains within its water strategy without the need to acquire additional high security entitlements.

“The Food Division continues in a challenging Australian domestic market that has seen a shift from the Food Service segment to the Retail segment. We have continued to invest in the Sunsol and Lucky brands and have just ranged 6 additional Lucky cooking products in Woolworths nationally.”

The Thomastown production, office and warehouse lease expires on 30 June 2020. Management is currently undertaking a comprehensive review of the food division. This review covers both strategic growth options and supply chain to support the various options under consideration. This review is expected to be concluded within the next quarter.

This announcement has been approved by the SHV Board.

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 and joint venture), primary processing (hulling & shelling), secondary processing (blanching, roasting, slicing, dicing, meal), trading (industrial products) and Consumer products (Brands - Lucky, Sunsol, NuVitality, Renshaw & Alinga 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 is 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