



SELECT HARVESTS

Select Harvests Limited (ABN 87 000 721 380)

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www.selectharvests.com.au

15 December 2022

SELECT HARVESTS LIMITED (SHV) CROP AND MARKET UPDATE

Paul Thompson, Managing Director of Select Harvests, announces to the market that the 2023 crop forecast has been completed. The FY2023 crop forecast is 30,000 MT compared to 29,250 MT delivered in FY2022.

He added "Similar to previous years the trading market has remained quiet at this time of year. Most customers have acquired their inventory for the Christmas and Chinese New Year consumption peak. Market pricing has remained flat. We do not anticipate any positive movement until there is a clearer picture of the US 2023 crop potential post bloom and any further acreage removals in mid-February."

Crop Update

Weather conditions have been cooler and wetter than normal, and pleasingly tree health has remained good. Our risk mitigation strategies have protected our key irrigation infrastructure from the impacts of the flooding while any orchard inundation has been managed by our horticultural teams.

The 2023 crop is at the kernel hardening stage of the horticultural cycle, and subject to normal horticultural conditions we are forecasting a crop of 30,000 MT.

As advised at the FY2022 Results announcement, we are forecasting increased growing costs because of the material increases in fertilizer and ag-chem prices. There has been a significant reduction in water cost and management continues to work on maintaining the lowest cost/kg by focusing on reducing absolute costs whilst maximising productivity and volume. These cost decreases will not offset the material cost increases.

Market Conditions

We continue to market our 2022 crop, but we have made no sales commitments for our 2023 crop. Buyers are buying on a short horizon as they try to understand the impacts on consumer confidence and demand as inflationary and working capital costs flow through the market.

The Australian Almond Board Position Report for October (March - October) reported total YTD shipments were up 9% on the prior year, while China YTD shipments were up 48%.

Australian tree nuts including almonds were included in the recently negotiated Free Trade Agreement between Australia and India. The 2023 Australian almond crop will benefit from the Agreement, ensuring Australian almonds are more competitive. India is in the top four global almond markets.

The movement of containers has returned to pre-COVID conditions with little congestion, and we have started to see freight rates return to more normal levels.



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Last week Land IQ and the Almond Board of California released the US Total Standing Acreage Report as of 31 August 2022, which was estimated at 1.64 million acres, compared with 1.66 million acres at the same time in 2021. Non-bearing acres (new plantings going back to 2020 but not yet bearing almonds) dropped to 294,000 acres, from 353,000 acres in 2021.

In addition, the Land IQ 2022 Removals Update said approximately 30,000 acres are either classified as stressed or abandoned. They were included in the standing acreage total because the orchards “may have the ability to recover,” Land IQ said.

The November Almond Board of California Position Report (August to November) reported year to date crop receipts at 2.2 B lbs, down 7% on last year. YTD shipments were down 4% with China and India down 23% and 17% respectively. Forward commitments are down 8% on the same period last year. Pleasingly, monthly shipments were higher to India (up 27%) and the Middle East (up 22%).

With the November 2022 US Monthly Crop Receipts lower at 493 M lbs (versus 518 M lbs in November 2021) and the view that many US hullers are expecting to complete processing in December this year (compared to last season where 235 M lbs was processed in January and February), there is some uncertainty around the final size of 2022 crop and whether it will meet the Objective Estimate of 2.6 B lbs.

Managing Director Transition

David Surveyor will commence in the role on the 20 February 2023. David Surveyor said, “I am looking forward to joining Select Harvests and am excited about the opportunities ahead.”

This announcement has been approved by the Board of SHV.

ENDS

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 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 North West Victoria, Southern New South Wales and South Australia. Its almond processing and value-adding facility (Carina West) is located at Wemen in North West Victoria.

For more information, visit www.selectharvests.com.au

As Agent for: Select Harvests Food Products Pty Ltd (ABN 17 058 752 846)
As Agent for: Kyndalyn Park Pty Ltd (ABN 76 006 360 194)