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Select Harvests Limited (“ASX:SHV”)

FY16 Results Presentation

26 August 2016





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Agenda



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Overview & Highlights

Results Discussion & Analysis

Market Outlook

SHV Crop Update & Outlook

Appendices





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FY16 Financial Overview

- **Reported FY16 Net Profit after Tax (NPAT) of \$33.8m**
- **Underlying FY16 Net Profit after Tax (NPAT) of \$27.9m**
- **Underlying EBIT \$41.3m** (FY15 EBIT \$89.6m)
- **Food Division EBIT \$10.3m** (FY15 \$6.8m)
- **Operating cash flow \$92.9m** (FY15 \$30.4m)
- **Net Debt \$67.3m (including lease liabilities) - Gearing** (Net Debt to Equity) **23%**
- **Underlying Earnings per Share (EPS) – 38.5 cents per share** (FY15 86.8 cps)
- **Dividend** - Final Dividend (Franked) 25 cents per share - **total FY16 dividend 46 cents per share** (FY15 50cps)
 - Record Date: 5 September 2016
 - Payment Date: 30 September 2016

Strong performance & cash generation in challenging conditions – validates SHV's robust business model



Business Overview



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- **Business environment challenged** - Almond price & currency, negative & volatile.
- **Strong balance sheet underpins growth** - Sale & leaseback funding 2,084 acres (844 Ha) planting
- **Growth on track** - Almond greenfield planting increased crop by 12% by 2018 & 63% by 2025
- **Cost out and capacity-** Project H2E, Project Parboil operational Q1 CY2017
- **Food Division turn around** – Both Industrial and Branded strategy creating value
- **Tree Health** - improving as high performance orchard program gains traction

Generated cash, invested for productivity & growth during difficult point in the cycle



Business Overview



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Safety

- Lost Time Injury Frequency - down 29%
- Medically Treated Injury Frequency - down 25%
- Hazard Identification Frequency - up 75%

Sustainability

- Zero environmental breaches
- Commissioned first off grid solar power farm hub

Diversity

- Overall there was a 3% increase in female participation levels, with females representing 30% of the workforce
- 43% of employees are from a culturally diverse background
- First female was appointed to Board

Our business is becoming safer, more diverse and sustainable

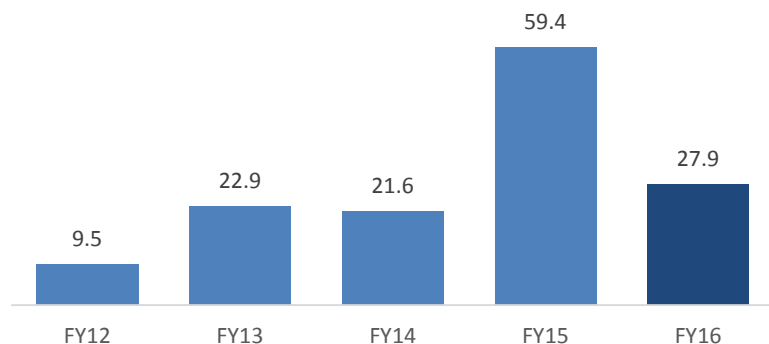


FY16 Results in Context

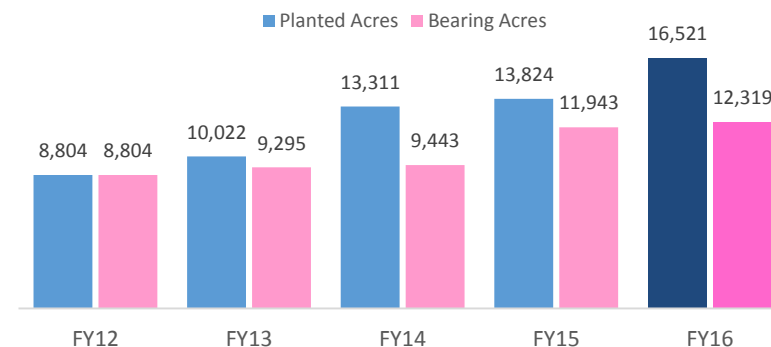


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Underlying NPAT (A\$ million)

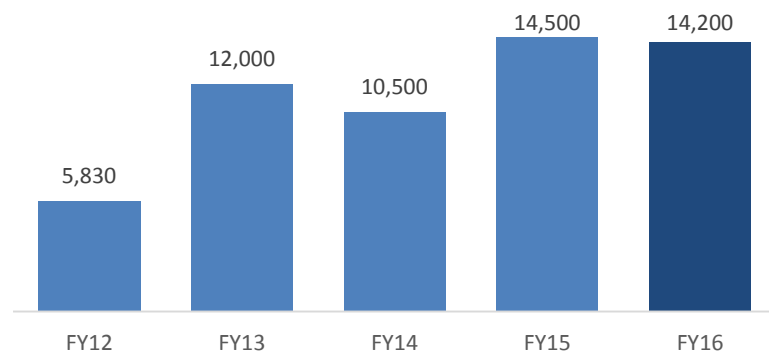


Planted/Bearing Almond Orchards (acres)*

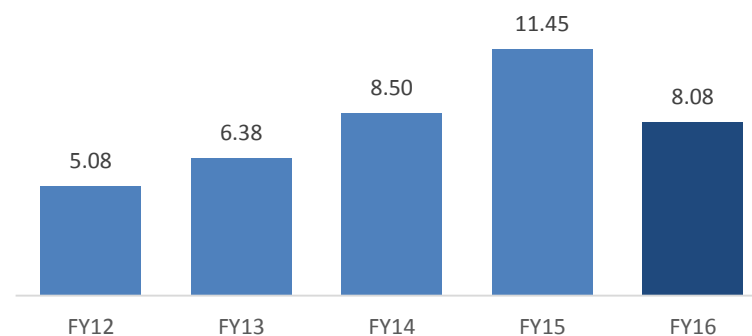


*Planted acres as of August End

Harvest Volume (MT)



Almond Price (A\$/kg)



FY16 was the second best financial performance in the company's history



Understanding FY16 Result



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Reported FY16 Net Profit after Tax (NPAT)	\$33.8m
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Impact of non-recurring items	\$5.9m
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■ Gains on Asset Sales during the Period*

Underlying FY16 Net Profit after Tax (NPAT)	\$27.9m
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* Gains on Asset Sales during the Period

- 3 properties sold to First State Super (Sale & Leaseback)
- Western Australian property sold for \$9.5 million

Operating profits boosted by asset sales



Income Statement



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Financial Result	FY15 (\$m)	FY16 (\$m)
Reported Result		
EBIT - Reported	85.9	49.8
Interest	(5.3)	(5.5)
NPBT	80.5	44.3
Tax Expense	(23.7)	(10.5)
NPAT - Reported	56.8	33.8
Underlying Result		
EBIT – Underlying	89.6	41.3
Interest	(5.3)	(5.5)
NPBT	84.3	35.8
Tax Expense	(24.9)	(7.9)
NPAT - Underlying	59.4	27.9

- **FY16 Underlying EBIT \$41.3m (FY15 \$89.6m)**
- **Almond Division Underlying EBIT \$36.1m (FY15 \$87.5m)**
 - Strong performance in challenging market
 - 2016 crop key drivers - 14,200 tonnes & A\$8.08/kg inc. AUD currency 6% stronger
 - Risk mitigation & productivity
 - Harvest and processing completed significantly earlier
- **Food Division Underlying EBIT \$10.3m (FY15 \$6.8m)**
 - Industrial sales up 17% (last year 28%)
 - Improved sales mix towards branded products
 - Improved price management and cost control
- **Underlying NPAT down 53% to \$27.9m (FY15 \$59.4m)**

Strong result in challenging market



Balance Sheet



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Year Ending Balance Sheet	Jun-15 (\$m)	Jun-16 (\$m)
Current Assets excl. Cash	207.5	154.1
Cash	0.3	1.4
Non-Current Assets	280.1	294.3
Total Assets	487.9	449.8
Current Liabilities (excl. Borrowings)	40.8	51.2
Borrowings	110	68.7
Non-Current Liabilities (excl. Borrowings)	49.7	39.0
Total Liabilities	200.5	158.9
Total Equity	287.4	290.9
Net Debt	115.6	67.3
Net Debt/Equity	40.2%	23.1%

- **Net Debt \$67.3m (FY15 \$115.6m)**
 - includes finance lease commitments of \$41.8m
- **Gearing (Net debt/equity) 23.1%**
- **Working capital reduction driven by 2015 crop sell through**

Prudent balance sheet to support growth strategy throughout the business cycle



Cash Flow



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Cash Flow	FY15 (\$m)	FY16 (\$m)
EBITDA	96.4	62.4
Change in Working Capital	(61.0)	35.4
Net Interest	(5.0)	(4.9)
Cash flow from operating activities	30.4	92.9
Investing cash flows	(99.9)	(47.8)
Proceeds from asset sales	-	73.2
Increase/(decrease) in Debt	5.8	(84.8)
Increase in Equity	64.7	-
Dividends Paid	(10.1)	(31.9)
Net (Decrease)/Increase in Cash/Cash Equivalents	(9.1)	1.6

■ Decreased working capital due to 2015 crop sales

■ FY16 Investing cash flows driven by:

- Orchard acquisitions \$5.3m (FY15 \$54.6m)
- Investment in cogen, new orchards in NSW, additional harvest and farm equipment and irrigation upgrades \$28.6m
- Water \$9.5m
- Tree Development \$4.4m

■ FY16 Investing cash flows and Debt reduction funded by:

- Proceeds from asset sales \$73.2m (sale and leaseback and WA land sale)

■ Capex - FY17

- Complete Projects – H2E(Cogen), Parboil (Value-Added Almond production facility)
- Continued upgrade of irrigation infrastructure
- Investment in growth phase of younger trees

Record operating cash flow



Almond Division



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Almond Division (\$m)	FY15	FY16
Underlying EBIT	87.5	36.1

Financials

- **Volume:** FY16 crop volume est. 14,200 tonnes (FY15 14,500 tonnes) - down 2% - up on guidance
- **Processing:** Hulling & shelling complete mid-August
- **2015 Crop:** Returns A\$4m down
- **Price:** FY16 price est. A\$8.08/kg (FY15 A\$11.45/kg) – down 29%
 - Avge. FY15 AUD/USD Rate = 0.72 (FY15 0.77)
 - 76% of 2016 crop sold.

Highlights

- Night harvest and favourable conditions resulted in faster harvest
- Sale and leaseback - 3 properties to First State Super (FSS) for A\$64.0 million
- Greenfield plant out - 2,084 acres (with FSS) in July 2016
- FSS acquired 2 additional properties for SHV to lease & develop greenfield plantings
 - 2017 & 18: plant out 1,000 acres
- Dryness of crop resulted in lower productivity in processing
- Tree health – continues to improve as nutrient program takes effect

80% of orchard is in sweet spot – substantial, long term, cash generation has commenced



Almond Division



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**17 August 2016 – the trees are in very good health and responding well to high performance program –
2017 bud potential looks strong**



Food Division



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Food Division (\$m)	FY15	FY16
EBIT	6.8	10.3

Financials

- Revenue of A\$161.8 million was up 16.6% (FY15 A\$138.8 million)
- Improved sales mix driven margin improvement
- Industrial sales up 17%
- Branded Consumer sales – up 10%

Highlights

- Industrial sales - Aligning to key regional industrial customers has delivered growth
- New Product Development (NPD) represent 13% of sales
- Record Lucky Cooking Market share - July 2016 MAT 42.3 % vs 40.1% last year MAT
- Export – Continued to grow in both divisions
- Trading - Astute trading in volatile market has delivered profit gains

Strong performance – ahead of strategy



Food Division



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Select continuing to release new and improved products



Market Outlook



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- Demand remains strong for both Almond and Food division
- Consumers continue to see the benefits of all super foods with new product development remaining buoyant
- Consumers and industry committed to consuming less sugar, preferring Green & Clean alternatives
- Research continues to support increase consumption of almonds and other plant products to:
 - Improve heart health
 - Combat diabetes
 - Improve cognitive function
 - Reduce mortality
 - Increase fertility
 - Assist weight control
- Land and water remain are a finite resource
- Asian middle class continues to be a strong driver of future demand

See positive signs with demand increasing



Almond Market Outlook



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Demand

- New product development activity remaining buoyant. Almond Milk and Butters continue to grow
 - www.dairyreporter.com/Markets/Dairy-alternatives-market-to-reach-19.5bn-y-2020
- Despite economic malaise Asia middle class will continue to grow
- Competitive nuts reset to historical norm, stimulating almond growth
- Recent US shipment data shows extremely strong export demand
- US domestic market starting to respond to lower prices

Supply

- Recent lower volatile lower pricing and cost pressures will cause slow down in new plantings and continued removals in US
- US harvest has commenced over the last couple of weeks. The USDA is forecasting a crop 10% larger than last year. 2.1 Bn lbs, with a slightly higher year on year carryover stock of approx. 0.42 Bn lbs
- Despite improved conditions year to date, the US drought continues. Long range forecast for a drier than normal winter
- Recent new announced plantings in Australia will not impact global environment

Price

- Currency continues to impact price for SHV
- Last year's price volatility has resulted in buyers being unwilling to make long term commitments
- Market pricing will remain uncertain until US crop volume has been confirmed, current forecast USDA appears valid
- SHV is not active in the market

See positive signs with demand increasing



Almond Market Outlook – US Shipments 2015/16



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	US Export Shipments			US Domestic Shipments			Total US Almond Shipments		
	2014/15 (million lbs)	2015/16 (million lbs)	Growth (%)	2014/15 (million lbs)	2015/16 (million lbs)	Growth (%)	2014/15 (million lbs)	2015/16 (million lbs)	Growth (%)
Last 12 months	1,173.1	1,218.0	104%	639.4	593.2	93%	1,812.5	1,811.2	100%
Last 9 months	827.6	941.4	114%	476.2	438.1	92%	1,303.2	1,379.5	106%
Last 6 months	571.3	672.8	118%	322.8	301.5	93%	894.1	974.3	109%
Last 3 months	254.4	332.9	131%	158.5	157.8	100%	412.9	490.7	119%

Source: Almond Board of California Position Reports

Increasing US shipments relative to prior periods are gaining pace





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Select Harvests Update

- The 2017 crop has had sufficient chill hours and is now at the pollination stage of the lifecycle
- Bees are in place and we anticipate a strong bloom with good crossover
- We can see the benefit of new horticultural programs - the 2017 bud potential looks strong
- At this very early stage we estimate a 2017 crop in excess of 15,000 MT
- Water availability and pricing outlook is positive, temp price now below \$150/ML
- Food Division has a more stable base for growth
- Increased focus on cost and productivity

SHV FY17 Crop estimated to be in excess of 15,000 tonnes





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Productivity Improvements

- Improve Yield
- Improve Mix
- Improve On-Farm practice
- Improve Transport and Handling
- Asset Utilisation
- Cost-out Capex – Project Parboil, Project H2E

Business focus to drive better productivity from base

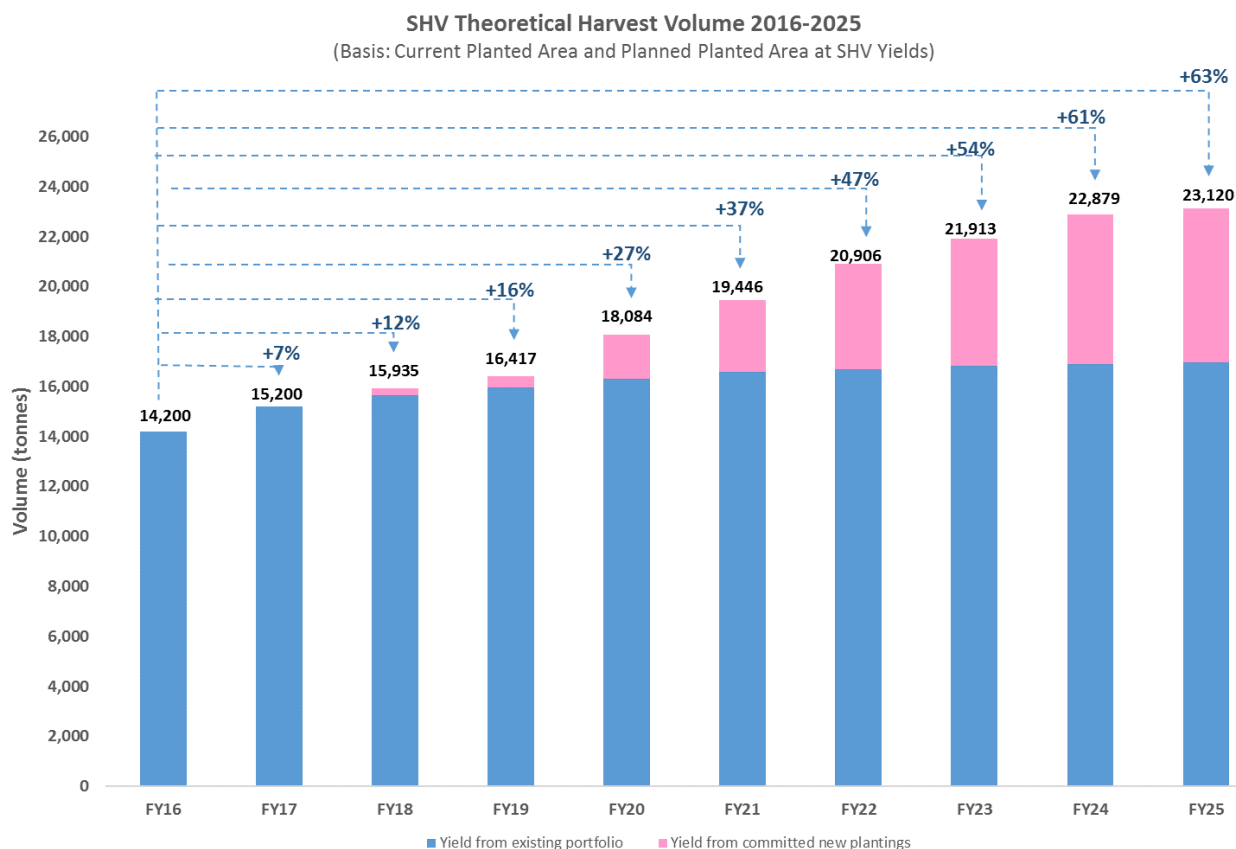


Significant Organic Volume Growth



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80% of current planted acres are cash generative



Current plan is fully funded and no additional processing investment required



SHV 2016/7 Business Objectives



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1. Zero Harm OH&S strategy
2. Improve average mature tree yield
3. Acquire orchards at the right price
4. Grow and strengthen Food Business
5. Implement Greenfield program
6. Implement Biomass/Cogen plant
7. Implement Parboil
8. Implement 1Select ERP platform
9. Maintain Balance Sheet & Cash Flow strength whilst growing
10. Improve asset productivity & reduce cost

**A world class, growing and funded, fully integrated Australian based, export food business
– almond orchards, processing, trading, brands, exports**



Strategy - Planning for Excellence & Growth



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1. CONTROL CRITICAL MASS OF ALMONDS

Secure the critical mass of nuts needed to maximize profitability and leverage the global almond opportunity.

2. IMPROVE YIELD & CROP VALUE

Improve yield and overall crop value by perfecting on-farm and farm to factory practices.

3. BE BEST IN CLASS SUPPLY CHAIN

Continuously improve our supply chain, achieving high quality, low cost and optimum capital utilisation.

4. INVEST IN INDUSTRIAL & TRADING DIVISION

Allocate resources to leverage our trading skills and grow sales in the industrial channel.

5. STRENGTHEN PACKAGED FOOD BUSINESS

Commit funds and develop structure to generate domestic and export growth for the packaged food business delivering sustainable returns above the cost of capital.

6. FIX OUR SYSTEMS & PROCESSES

Develop the business systems and processes required to be a global industry leader.

7. NON ORGANIC GROWTH

Acquire businesses in related categories leveraging existing capabilities that are EPS accretive and deliver sustainable returns above our cost of capital.

8. ENGAGE WITH OUR PEOPLE & OUR STAKEHOLDERS

Engage with investors and our industry while developing the team required to be a global industry leader.

We have a clear strategy – execution has delivered growth and productivity





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Thank you

Please direct any queries to:

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Please note that background material/data regarding the global almond industry can be found on the Select Harvests website - www.selectharvests.com.au





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Select Harvests - Financial History

SHV Historical Summary	Units	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015	2016
Total Sales	(A\$M)	217.9	229.5	224.7	248.6	238.4	248.3	251.3	191.1	188.1	223.5	285.9
EBIT	(A\$M)	38.4	40.5	27.1	26.8	26.0	15.4	19.6	37.7	31.3	89.6	41.3
EBIT Margin (EBIT/Sales - %)	(%)	17.6%	17.6%	12.1%	10.8%	10.9%	6.2%	7.8%	19.7%	16.6%	40.1%	14.4%
PBT	(A\$M)	37.9	40.0	25.4	23.0	23.6	12.0	13.4	32.7	26.8	84.3	35.8
NPAT	(A\$M)	26.5	28.1	18.1	16.7	17.3	8.9	9.5	22.9	21.6	59.4	27.9
Issued Shares	No. of Shares	39.7	38.7	39.0	39.5	39.8	56.2	56.8	57.5	58.0	71.4	72.9
Earnings Per Share	(AUD Cents per Share)	67.1	71.0	46.7	42.6	43.3	17.0	16.8	40.1	37.5	86.8	38.5
Dividend per Share	(AUD Cents per Share)	53.0	57.0	45.0	12.0	21.0	13.0	8.0	12.0	20.0	50.0	46.0
Payout Ratio	(%)	80.0%	80.0%	96.7%	28.2%	48.5%	76.5%	47.6%	29.9%	53.3%	57.6%	119.5%
Net Tangible Assets per Share	(A\$/Share)	1.83	1.57	1.41	1.56	1.87	2.17	2.19	2.14	2.38	3.35	3.22
Net Interest Cover	(times)	82.3	75.8	15.6	7.1	10.7	4.5	3.2	7.5	7.0	16.9	7.5
Net Debt	(A\$M)	1.3	1.6	46.8	52.4	45.0	73.1	66.8	79.3	94.8	115.6	67.3
Shareholder Equity	(A\$M)	101.5	95.5	94.1	100.9	113.6	168.8	160.3	159.5	175.4	287.4	290.9
Net Debt to Equity Ratio	(%)	1.3%	1.7%	49.7%	51.9%	39.6%	43.3%	41.7%	49.7%	54.1%	40.2%	23.1%
Share Price	(A\$/Share)	13.02	11.60	6.00	2.16	3.46	1.84	2.40	3.90	5.14	11.00	\$6.74
Market Capitalisation	(A\$M)	517.0	449.4	234.1	85.4	137.6	103.5	120.0	224.3	298.1	785.4	491.5
P/E Ratio		19.5	16.0	12.9	5.1	8.0	11.6	12.6	9.8	13.8	13.2	17.6

* 2014 figures have been rebased according to early adoption of Accounting Standards, AASB 116, Property, Plant and Equipment, and AASB 141, Agriculture, impacting "bearer plants".

2011-2016 figures represent underlying earnings .

Source: Company Data



Food Division - Brands



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- Market leader in the cooking nut category. Value share 43.6 % as at 19 April 2016.
- Cooking Nut product range: almonds, walnuts, cashews, hazelnuts, brazil nuts, pine nuts, pistachios, macadamias, sunflower seeds and pepitas (Snacking product range: portion control packs, Lucky Smart Snax and Lucky Snack Tubs.
- Distribution: major supermarkets and export markets including the Middle East, Indonesia and Papua New Guinea.



- Product range: nuts, dried fruit, legumes and pulses, cereals, grains, seeds, flour, muesli and organic foods.
- Bulk and convenient packs.
- Distribution: health food stores and pharmacies nationally.



- Product range: muesli, dried fruit, nuts and snacks.
- Distribution: major supermarkets (muesli) and export markets including Hong Kong, Singapore, Malaysia, Indonesia and the Pacific Rim.



- Product range: muesli, dried fruit, wholefoods, nuts and snacks.
- Distribution: Health aisle of major supermarkets and export markets including Hong Kong, Singapore, Malaysia, Indonesia and the Pacific Rim.



- Product range: almonds and other nuts, dried fruit, seeds, nut pastes and pralines.
- Bulk pack.
- Products sold to local and overseas food manufacturers, wholesalers, distributors and re-packers.



Portfolio of Consumer and Industrial Brands to service the Growing Australian and Asian Demand for Healthy, Value based Food with Australian Provenance

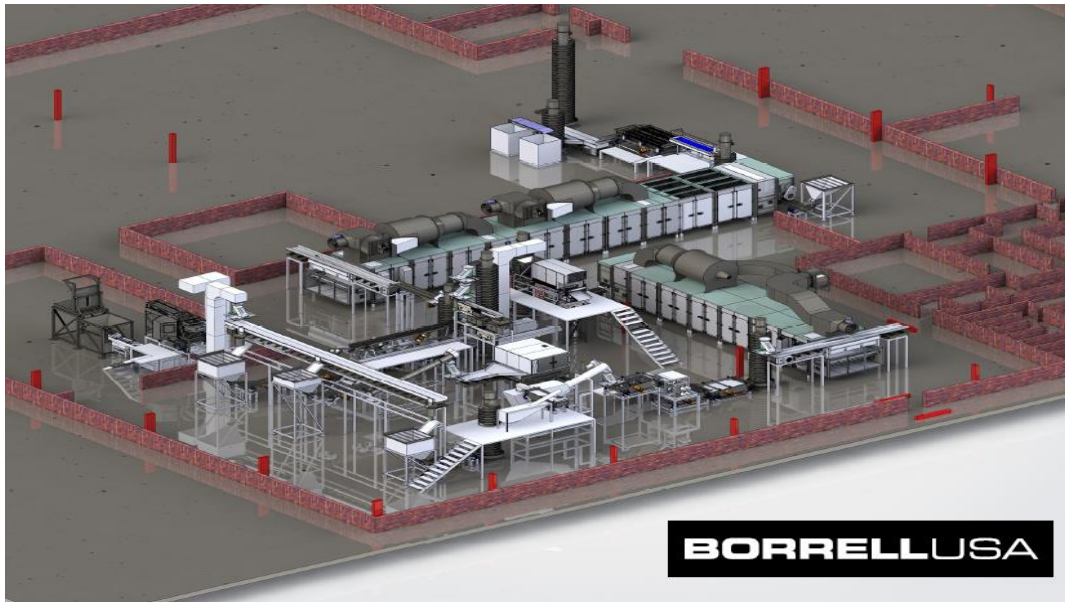




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Project Parboil – Almond Value-Add

Projective Objective: To install an Added Value Almond Processing & Packing Facility at Carina West



**Infrastructure designed
using and comply to:**

WQA Manufactured Food
Standard Version8

&

Coles Food Manufacturing
Supplier Requirements
(CFMSR) ver Feb 2014

Operational Highlights

- *Integrated Processing Equipment: Blanching, Slivering, Slicing, Dicing, Dry Roasting, Pasting, Grinding, Pasteurising, Electronic Sorting and Industrial & Retail Packing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Automated Industrial Packing Line with Gas Flushing*
- *Climate Controlled Factory, Cool Store Warehousing*
- *Operational Hours: 8hrs x 5 days x 48 weeks*
- *Operators Employed: 12*

Specifications

- *Building size: 50m x 84m*
- *1.2m concrete tilt slab perimeter internal/external*
- *Borrell Integrated Blanching & Roasting Line*
- *Nimbus Electronic Sorter with Biometric Signature Identification*
- *Propac Retail Baggers AV 2.2 with Dual Feed system*
- *Pattyn Fully Automated Industrial Packaging Line*
- *Ishida Multi-Head & Check Weighers*
- *Visy Automation Robotic Retail & Industrial Palletizing line*
- *2mt per hour thru-put*
- *Capital Investment: \$11m AUD*
- *Installation – Q2 2016*

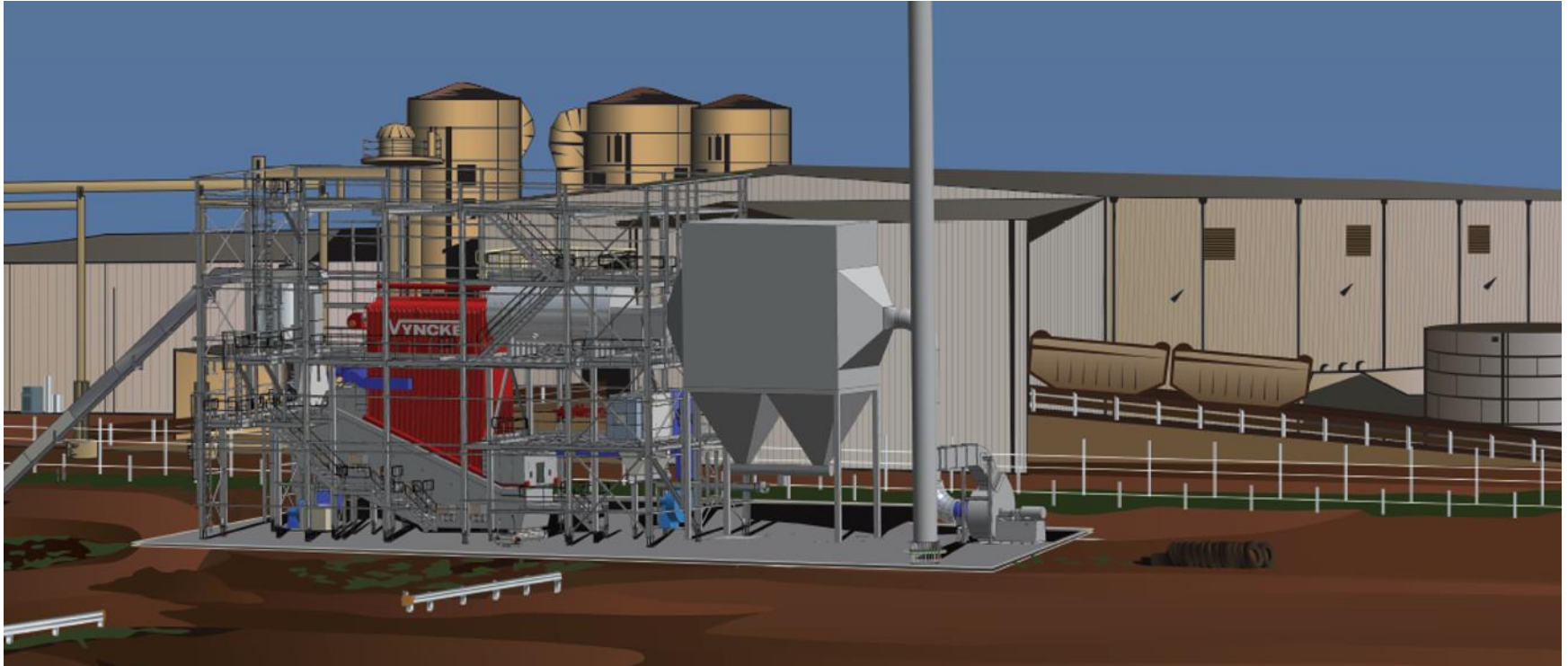


Operations - Project H₂E – Hull to Energy



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Project Overview: Biomass boiler and steam turbine, fuelled by almond hull and shell converting it to heat and power. Abating 24000 tonnes* of greenhouse gas.



*Internal estimate

Reduces energy cost by 20%, enhancing Carina West's position as a global low cost processor



Almond Orchards – Our productive foundation



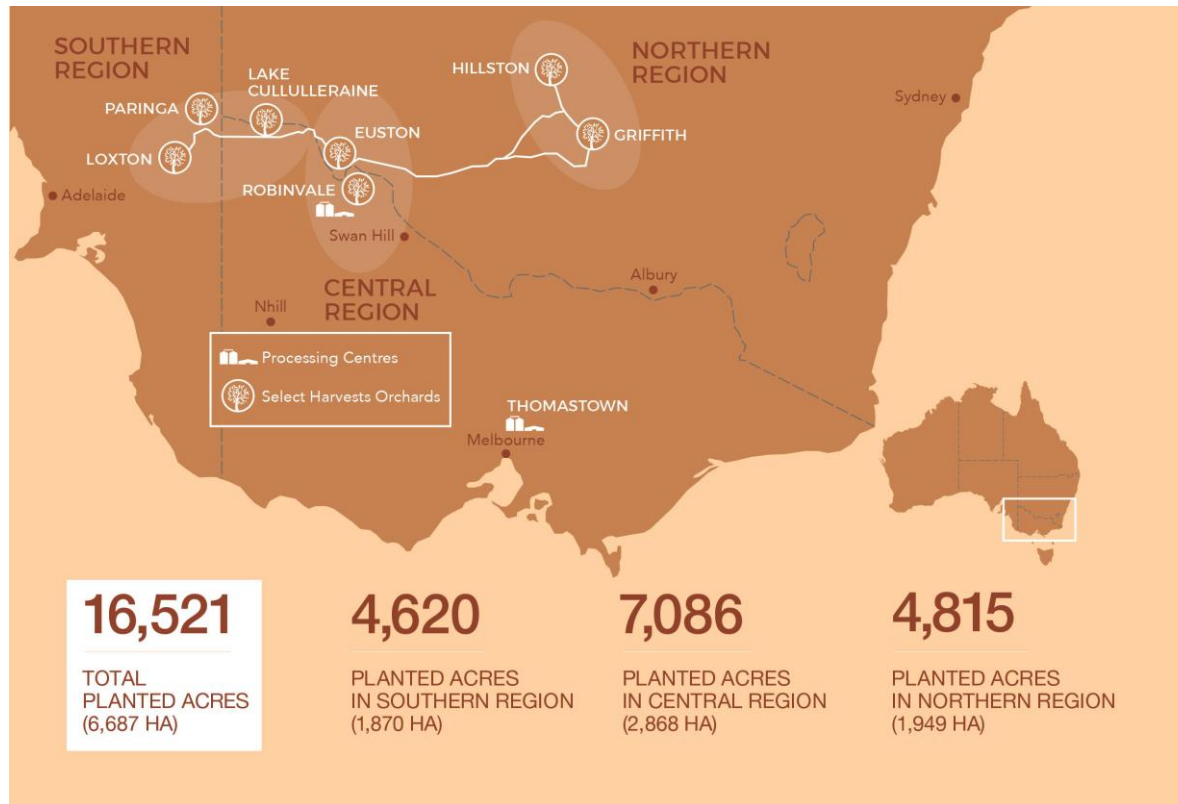
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Geographic diversity limits exposure to:

- Weather
- Disease spread
- Insect infestation

Enables sequential progression of harvest period across regions:

- Better farm equipment utilisation
- Better processing utilisation
- Better labour utilisation



Secure access to diverse water sources:

- River Water
- Aquifers

Positions the company to maximise harvest volume & reduce variance.

Building world class properties and a globally competitive low cost business.

Australia's 2nd largest & most geographically diverse almond producer – 16,521 planted acres

Growth – 1,000 acres to be planted in July 2017 & 2018 – Funded by 3rd party



Select Harvests – Orchard Profile



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Select Harvests Almond orchard portfolio	Planted (as at 30 June 2016)		Under Development (as at 30 June 2016)		Total Planted (as at 26 August 2016)	
	Acres	Hectares	Acres	Hectares	Acres	Hectares
Central region						
Company Owned	3,852	1,559	310	125	4,162	1,684
Leased	1,481	599	1,443	584	2,924	1,183
Total Central	5,333	2,158	1,753	709	7,086	2,868
Northern Region						
Company Owned	1,691	684	107	43	1,798	728
Leased	3,017	1,221			3,017	1,221
Total Northern	4,708	1,905			4,815	1,949
Southern Region						
Company Owned	1,574	637			1,574	637
Leased	2,405	973	641	259	3,046	1,233
Total Southern	3,979	1,610	641	259	4,620	1,870
Total						
Company Owned	7,117	2,880	417	169	7,534	3,049
Leased	6,903	2,794	2,084	843	8,987	3,637
Total	14,020	5,674	2,501	1,012	16,521	6,687

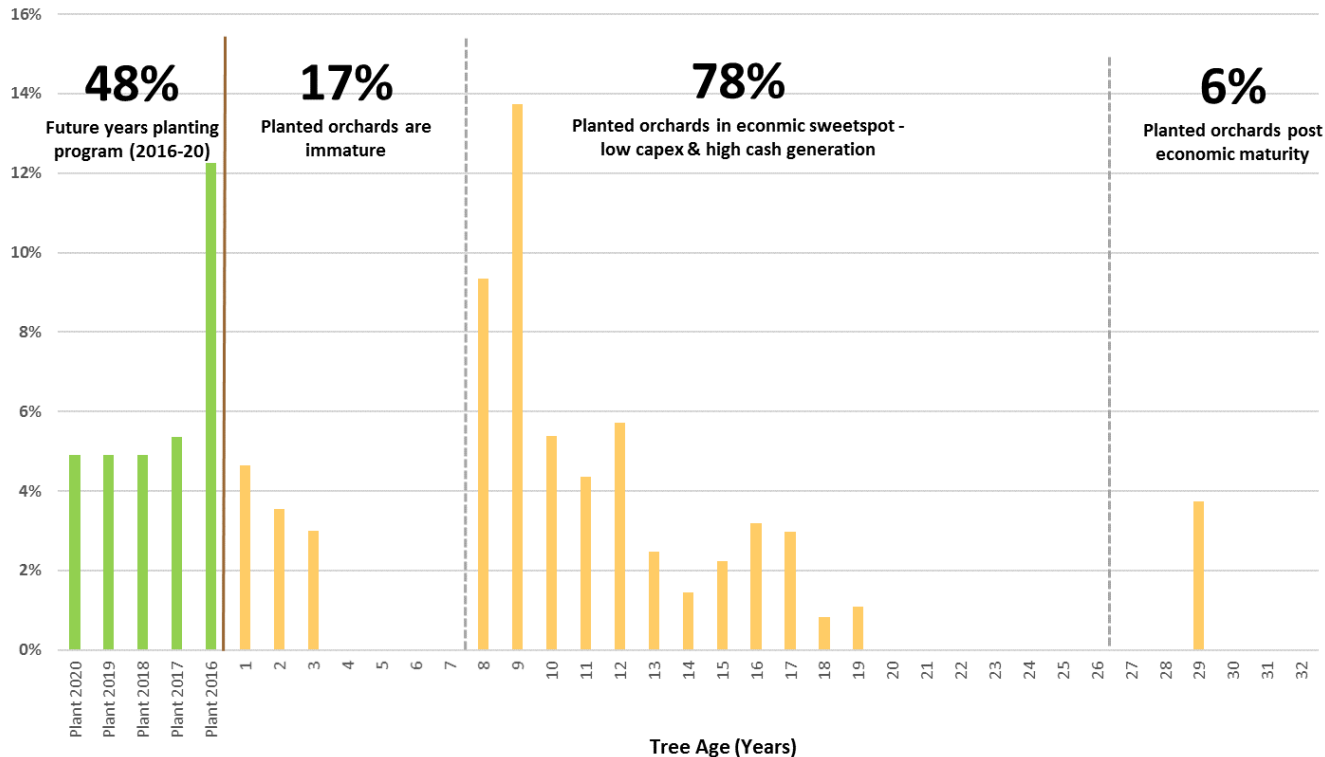


Select Harvests – Orchard Age Profile



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Age Profile of SHV Almond Orchard Portfolio



Significant growth & improvement occurred in SHV orchard portfolio in recent years - acquisition, replants, greenfields

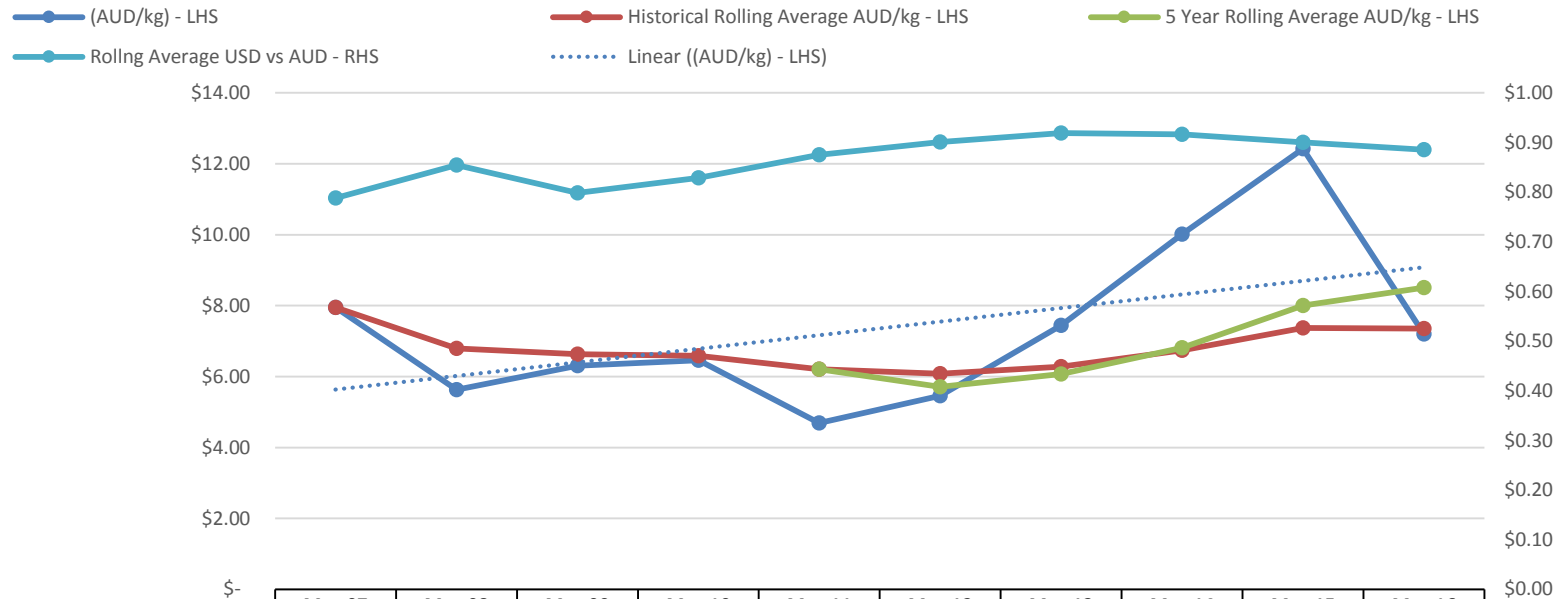


Almond Pricing over a 10 year crop period (AUD)



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Almond Price Nonpareil SUP 23/25 (AUD/kg)



	Mar-07	Mar-08	Mar-09	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14	Mar-15	Mar-16
(AUD/kg) - LHS	\$7.95	\$5.63	\$6.30	\$6.46	\$4.69	\$5.45	\$7.45	\$10.02	\$12.42	\$7.20
Rolling Average USD vs AUD - RHS	\$0.7880	\$0.8546	\$0.7982	\$0.8287	\$0.8749	\$0.9008	\$0.9192	\$0.9162	\$0.9004	\$0.8854
Historical Rolling Average AUD/kg - LHS	\$7.95	\$6.79	\$6.63	\$6.59	\$6.21	\$6.08	\$6.28	\$6.74	\$7.37	\$7.36
5 Year Rolling Average AUD/kg - LHS					\$6.21	\$5.71	\$6.07	\$6.81	\$8.01	\$8.51

* This is internal company data. Please note this is a reflection of one nut variety & size, not the total pool return

The combination of currency and price has caused the sharpest price correction in recent history

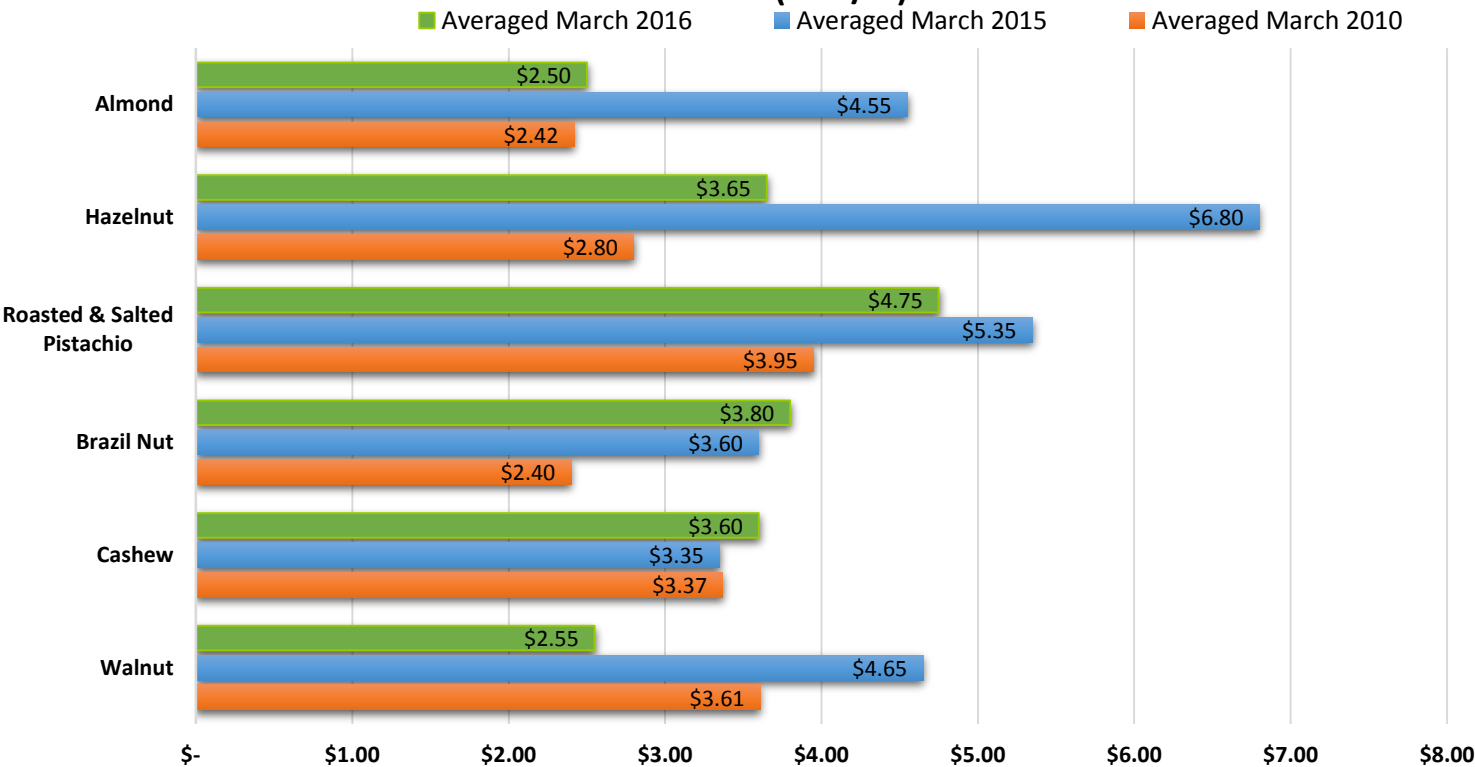


Almonds competitively priced against other tree nuts



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**Tree Nut Spot Pricing March 2010 vs March 2015 vs March 2016
(USD/lb)**



* This is internal company data

Almond pricing relativity has been restored to historic norms

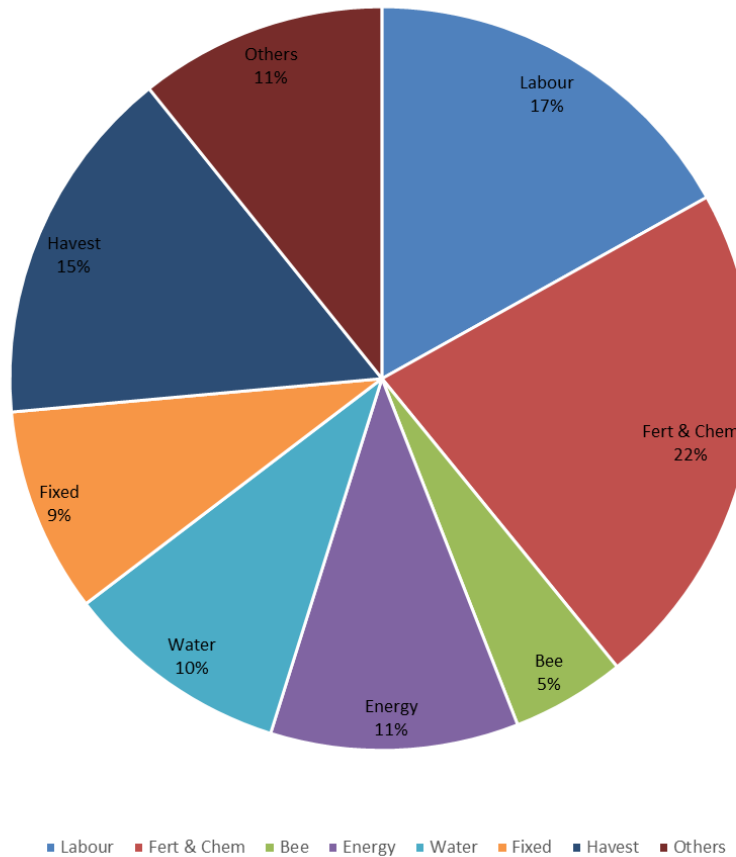


Select Harvests – Horticultural Costs



SELECT HARVESTS

SHV FY2016 Horticulture Costs Actual by Percentage



US Almond Production - Ageing



SELECT HARVESTS

Californian Almond Acreage, Yield & Production						
Year	Bearing Area	Non- Bearing Area	Yield		Production	
	(acres)	(acres)	(lbs/acre)	(tonnes/acre)	(lbs)	(tonnes)
1995	418,000	65,700	890	0.4	370,000,000	168,182
1996	428,000	72,400	1,190	0.5	510,000,000	231,818
1997	442,000	63,000	1,720	0.8	759,000,000	345,000
1998	460,000	120,000	1,130	0.5	520,000,000	236,364
1999	485,000	115,000	1,720	0.8	833,000,000	378,636
2000	510,000	100,000	1,380	0.6	703,000,000	319,545
2001	530,000	75,000	1,570	0.7	830,000,000	377,273
2002	545,000	65,000	2,000	0.9	1,090,000,000	495,455
2003	550,000	60,000	1,890	0.9	1,040,000,000	472,727
2004	570,000	70,000	1,760	0.8	1,005,000,000	456,818
2005	590,000	110,000	1,550	0.7	915,000,000	415,909
2006	610,000	145,000	1,840	0.8	1,120,000,000	509,091
2007	640,000	125,000	2,170	1.0	1,390,000,000	631,818
2008	710,000	115,000	2,300	1.0	1,630,000,000	740,909
2009	750,000	90,000	1,880	0.9	1,410,000,000	640,909
2010	770,000	85,000	2,130	1.0	1,640,000,000	745,455
2011	800,000	75,000	2,540	1.2	2,030,000,000	922,727
2012	820,000	110,000	2,310	1.1	1,890,000,000	859,091
2013	850,000	120,000	2,370	1.1	2,010,000,000	913,636
2014	880,000	170,000	2,130	1.0	1,870,000,000	850,000
2015	890,000	220,000	2,120	1.0	1,890,000,000	859,091
2016	900,000	n/a	2,220	1.0	2,000,000,000	909,091

Source: USDA NASS, 2016 California Almond Forecast Report, 10 May 2016

38% of California's total Almond Orchard Acreage is more than 21 years old

6% of Select Harvests total Almond Orchard portfolio is over 21 years old

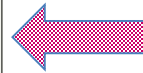
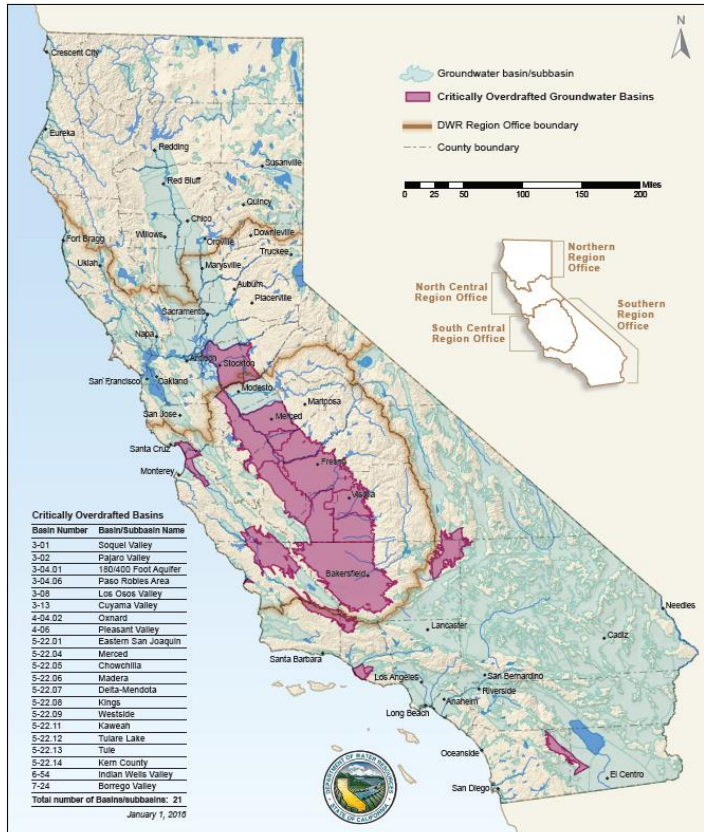


US - Groundwater Depletion Concerns

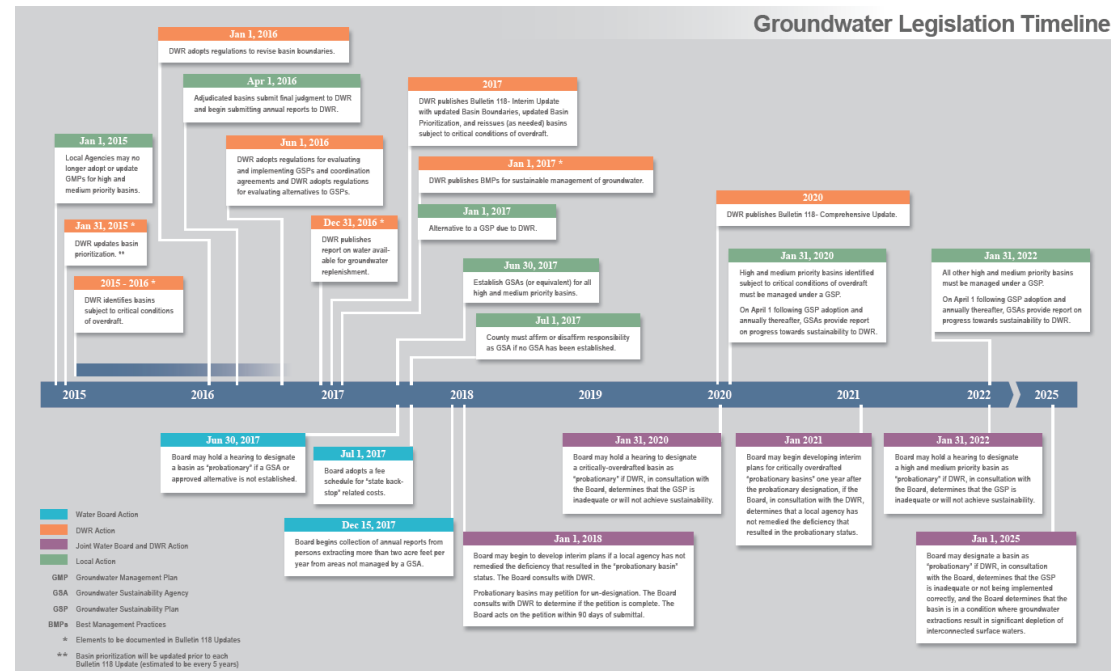


SELECT HARVESTS

Critically Overdrafted Groundwater Basins – January 2016



Purple Shading = Critically Overdrafted Groundwater Basins



Groundwater - Some of the biggest counties are reliant on **critically overdrafted groundwater basins**

Dept of Water Resources has a well defined timeline to groundwater legislation and management



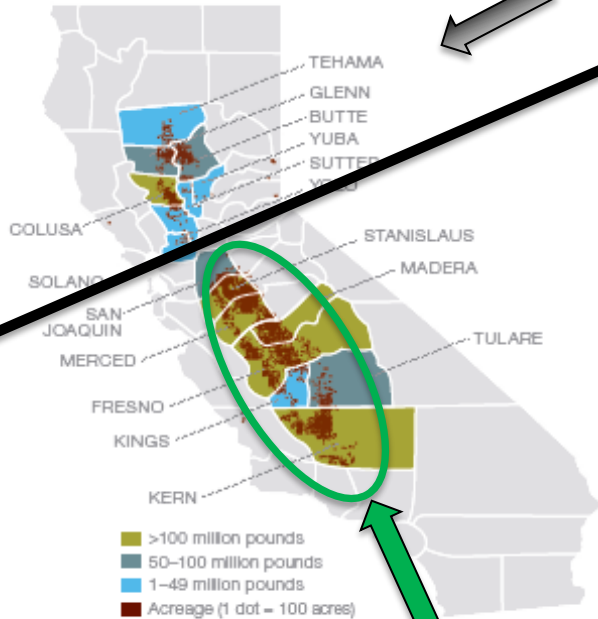
US Almond Production & Drought



SELECT HARVESTS

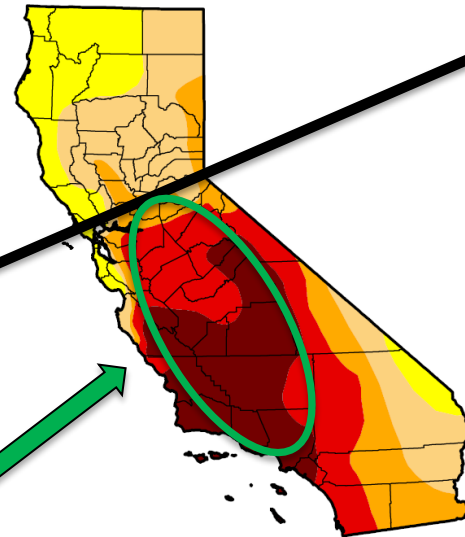
14% - North Counties % of US Almond Prod'n

Almond Production by County 2013/14



86% - South Counties % of US Almond Prod'n

U.S. Drought Monitor
California



August 9, 2016

(Released Thursday, Aug. 11, 2016)

Valid 8 a.m. EDT

Drought Conditions (Percent Area)

	None	D0-D1	D1-D2	D2-D3	D3-D4	D4
Current	0.00	100.00	83.59	59.02	42.80	21.04
Last Week 8/2/2016	0.00	100.00	83.59	59.02	42.80	21.04
3 Months Ago 5/9/2016	4.27	95.73	89.68	72.72	47.92	21.04
Start of Calendar Year 12/29/2015	0.00	100.00	97.33	87.55	69.07	44.84
Start of Water Year 9/29/2015	0.14	99.86	97.33	92.36	71.08	46.00
One Year Ago 8/11/2015	0.14	99.86	97.35	92.36	71.08	46.00

Intensity:



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Richard Tinker

CPC/NOAA/NWS/NCEP



<http://droughtmonitor.unl.edu/>

Orange States = Severe Drought

Red States = Extreme Drought

Dark Brown States – Exceptional Drought

Drought situation is much improved on 2015



Useful Almond Industry Websites



SELECT HARVESTS

■ Industry Associations

- Californian Almond Board www.almondboard.com
- United States Drought Monitor <http://droughtmonitor.unl.edu/Home/StateDroughtMonitor.aspx?CA>
- Dept. of Water Resources (DWR) – Reservoir Levels <http://cdec.water.ca.gov/cdecapp/resapp/getResGraphsMain.action>
- DWR – Snowpack Levels <http://cdec.water.ca.gov/cdecapp/snowapp/sweq.action>
- DWR – Critically Overdrafted Groundwater Basins (2016) http://www.water.ca.gov/groundwater/sgm/pdfs/GW_basinsCriticalOverdraft_CA.pdf

■ Industry Reports

- US Crop Forecasts (Subjective, Objective) <http://www.almonds.com/growers/resources/crop-forecasts>
- Monthly Almond Position Reports <http://www.almonds.com/newsletters/position-reports?from-section=2881>
- Almond Almanac http://www.almonds.com/sites/default/files/content/attachments/2015_almanac.pdf
- UC Davis Almond Development Costings <http://coststudies.ucdavis.edu/en/current/>

■ Almond Companies

- Blue Diamond Growers www.bluediamond.com
- Blue Diamond Ingredients www.bdingredients.com/category/almond-market-analysis
- Almond Insights www.almondinsights.com
- Derco Foods www.dercofoods.com/en/reports
- RPAC Almonds www.rpacalmonds.com/marketnews
- Paramount Farms www.paramountfarms.com
- Hilltop Ranch www.hilltopranch.com
- Merlo Farming www.merlofarminggroup.com





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Thank you

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Please note that background material/data regarding the global almond industry can be found on the Select Harvests website - www.selectharvests.com.au

