



Company	Select Harvests Limited
Code	SHV
Meeting	AGM
Date	21 February 2020
Venue	National Australia Bank Building, 700 Bourke St, Docklands, Victoria.
Monitor	Norm West

Number attendees at meeting	82 shareholders plus 54 guests/visitors
Number of holdings represented by ASA	58
Value of proxies	\$3.2m
Number of shares represented by ASA	358,469 (equivalent to 16th largest holder)
Market capitalisation	\$748m
Were proxies voted?	No, show of hands, poll if required.
Pre AGM Meeting?	Yes, phone conference with MD Paul Thompson

Strong result in tough year.

The company produced a strong financial and production result in 2019. Chairman Michael Iwaniw highlighted the low debt to equity ratio of 6.6% and increased earnings per share of 55.5c as part of the aim to strengthen the balance sheet. Almond volumes were increased 44.5% by concentrating on water usage, tree yields and orchard innovation. The growing cost per kg was reduced by 21.4%. Global market demand for almonds is increasing 6.6% annually compared with the world supply growth of 3.4%.

Managing Director Paul Thompson provided a very informative description of how the company's horticultural practices improve yield and the relationship of success to investing in capital use, people and technology. Health, well being and safety is a serious priority. Water is 12% of production cost. The company operates its water portfolio as 1/3 owned, 1/3 long/medium term lease and 1/3 temporary annual lease. This is a high technology agricultural company.

The ASA asked about the risks involved in three separate geographical orchard areas and the potential problems if the company became too reliant on one market such as China. The answers were informative as the company is also working to develop their value-added almond products.

The ASA also asked the auditor two questions about key audit matters. The value of trees was clarified but the depreciation of trees needed further detailed explanation which was supplied.

The ASA supported all resolutions. Standing directors Fiona Bennett and Guy Kingwall have the experience and skills that appear to be very good assets for the board. All resolutions were supported by 97% plus of votes cast.