

Q1 2024 PALM OIL AND CASHEW OPERATIONS UPDATE

[DEKEL AGRI-VISION PLC](#)

Released 07:00:12 11 April 2024

RNS Number : 1136K
Dekel Agri-Vision PLC
11 April 2024

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

11 April 2024

Dekel Agri-Vision Plc / Index: AIM / Epic: DKL / Sector: Food Producers

Dekel Agri-Vision Plc (‘Dekel’ or the ‘Company’) Q1 2024 Palm Oil and Cashew Operations Update

Dekel Agri-Vision Plc (AIM: DKL), the West African agriculture company focused on building a portfolio of sustainable and diversified projects, is pleased to provide its Q1 2024 production for the Ayenouan palm oil project in Côte d'Ivoire ('Palm Oil Operation') and the cashew processing plant at Tiebissou, Côte d'Ivoire (the 'Cashew Operation').

Palm Oil Operation Update

- The Palm Oil Operation reported a strong Q1 2024 with Fresh Fruit Bunch ('FFB') volumes and Crude Palm Oil ('CPO') production increasing 30% and 23.5% respectively compared to Q1 2023.
 - March 2024 monthly production was marginally lower than March 2023
- CPO sales quantities increased 18.8% in Q1 2024 compared to last year. The relatively high levels of CPO inventory, and in particular PKO inventory held at the end of Q1 2024 compared to last year should underpin strong sales volumes during Q2 2024.
- The Q1 2024 average CPO sales price achieved was €762 per tonne, a 21.8% decrease from the record Q1 2023 CPO sales prices. The local CPO price in March 2024 continued to trend upwards month on month increasing 2.4% compared to February 2024. Whilst encouraging, local CPO prices remain below international CPO prices as efforts continue locally to manage food prices.
- The CPO extraction rate for Q1 2024 of 21.2% was slightly lower than Q1 2023. Early guidance in April 2024 shows CPO extraction rates increasing towards 22%.
- Overall, due to the relatively strong production volume, we maintain on track to deliver a strong H1 2024

performance.

	Mar-24	Mar-23	Change	Q1-24	Q1-23	Change
FFB processed (tonnes)	23,579	24,508	-3.8%	54,381	41,819	30.0%
CPO Extraction Rate	20.9%	21.6%	-3.2%	21.2%	22.3%	-4.9%
CPO production (tonnes)	4,929	5,302	-7.0%	11,510	9,318	23.5%
CPO Sales (tonnes)	4,509	4,048	-11.4%	9,317	7,843	18.8%
Average CPO price per tonne	€777	€967	-19.6%	€762	€974	-21.8%
Palm Kernel Oil ('PKO') production (tonnes)	259	280	-3.9%	641	493	30.0%
PKO Sales (tonnes)	86	383	-50.7%	194	413	-53.0%
Average PKO price per tonne	€686	€973	-29.5%	€733	€973	-24.7%

Cashew Operation Update

- The Cashew Operation was intentionally slowed down during Q1 2024 to preserve raw cashew nut ('RCN') inventory while we await the arrival of new off the shelf shelling and peeling equipment. This is reflected in the numbers outlined in the table below. While the throughput of the existing shelling and peeling equipment can reach expected breakeven production levels, the output of unpeeled cashews remains too high hindering gross margins.
- All new shelling and peeling equipment was ordered in January 2024, with deliveries expected to start arriving in June 2024, which will be announced in due course. With optimal performance of the shelling and peeling stations working in tandem with the other 10 well performing stations, we expect to see a material improvement in cashew production volumes and quality during Q3 2024.
- New shelling and peeling equipment installation being overseen by a highly credentialled cashew processing consultant. Other new cashew processors in our region using this new off the shelf technology shelling and peeling systems are also achieving excellent results.

	Q1-24	Q1-23	Change
RCN Inventory			
Opening RCN Inventory (tonnes)	1,751	1,841	-4.9%
RCN Purchased (tonnes)	190	820	76.8%
RCN Processed (tonnes)	(275)	(533)	-48.4%
RCN Sold (tonnes)	(42)	Nil	n/a
Closing RCN Inventory (tonnes)	1,624	2,128	23.6%
Cashew Processing			
Opening Cashews (tonnes)	176	111	58.6%
RCN Processed (tonnes)	275	533	-48.4%
Cashew Extraction Rate	18.2%	23.1%	-21.6%
Cashew Produced (tonnes)	50	123	-59.3%
Cashew Sales (tonnes)	93	103	-9.7%
Closing Cashews (tonnes)	133	131	1.5%
Average Sales prices per tonne			
- Unpeeled Cashews	€3,150	€3,375	-6.7%
- Peeled Cashews	€3,250	€4,500	-27.8%

Lincoln Moore, Dekel's Executive Director, said: "The Palm Oil Operation remains on track to deliver a strong H1 2024 performance and continues to underpin the Company's financial performance. The major catalyst for the next phase of growth and share price performance is the Cashew Operation. With shelling and peeling equipment scheduled for delivery in June and installation being overseen by a highly credentialled cashew processing consultant, we are edging closer towards being in a position to ramp up production at optimum levels of quality."

**** ENDS ****

For further information, please visit the Company's website www.dekelagrivision.com or contact:

Dekel Agri-Vision Plc

+44 (0) 207 236 1177

Youval Rasin
Shai Kol
Lincoln Moore

WH Ireland Ltd (Nomad and Joint Broker) +44 (0) 20 7220 1666
James Joyce
Darshan Patel
Isaac Hooper

Optiva Securities Limited (Joint Broker) +44 (0) 203 137 1903
Christian Dennis
Daniel Ingram

Notes:

Dekel Agri-Vision Plc is a multi-project, multi-commodity agriculture company focused on West Africa. It has a portfolio of projects in Côte d'Ivoire at various stages of development: a fully operational palm oil project in Ayenouan where fruit produced by local smallholders is processed at the Company's 60,000tpa capacity crude palm oil mill and a cashew processing project in Tiebissou, which is currently transitioning to full commercial production.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

UPDSFIEFSELSEEL