

May Palm Oil Production & Cashew Project Update

RNS Number : 5606O
Dekel Agri-Vision PLC
13 June 2022

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

Dekel Agri-Vision Plc ('Dekel' or the 'Company') May Palm Oil Production Update and Cashew Project 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 a May production update for its Ayenouan palm oil project in Côte d'Ivoire the ('Palm Oil Operation'), and an update on the timing of the ramp-up of production of our large-scale cashew processing plant at Tiebissou, Côte d'Ivoire (the 'Cashew Project').

Key Highlights

- The recent trend of very strong Crude Palm Oil ('CPO') and Palm Kernel Oil ('PKO') prices and exceptionally strong CPO extraction rates offset by weak fresh fruit bunches ('FFB') volumes continued in May.
- Further to the Company's announcement of 9 June 2022, the colour sorter was shipped from China and arrived at Abidjan port, Côte d'Ivoire on 12 June. Once installed, this will enable the Company to materially increase production capacity.

	May-22	May-21	Change
FFB processed (tonnes)	9,207	16,335	-43.6%
CPO Extraction Rate	23.5%	20.8%	13.0%
CPO production (tonnes)	2,167	3,403	-36.3%
CPO Sales (tonnes)	4,025	1,071	275.8%
Average CPO price per tonne	€1,056	€774	36.4%
PKO production (tonnes)	165	233	-29.2%
PKO Sales (tonnes)	148	40	270.0%
Average PKO price per tonne	€1,606	€838	91.6%
Palm Kernel Cake ('PKC') production (tonnes)	251	385	34.8%
PKC Sales (tonnes)	138	151	-8.6%
Average PKC price per tonne	€85	€80	6.3%

CPO Production

- We saw improved rainfall in May which may have assisted with the very strong CPO extraction rate; however, FFB quantities remain low across the region.
- The CPO extraction rate achieved in May of 23.5% is close to a record extraction rate and together with high CPO prices is driving improved gross margin percentages compared to 2021.

prices is driving improved gross margins percentages compared to 2021.

CPO and PKO Price

- International CPO prices continue to remain at near record levels of around €1,500 per tonne and international prices remain significantly higher than local prices. We are now exporting a portion of our product to gain access to these higher prices; however, as is the case globally, there is pressure on food supplies in Côte d'Ivoire which means we also have obligations to support the local market.
- International PKO prices have recently stabilised around €1,600-1,700. Our current ex-factory price achieved of over €1,600 in May was a record monthly price.

CPO Sales

- May was a strong month in terms of CPO sales increasing 276% compared to May 2021. This is partly as a result of a portion of expected April sales taking place in May and also strong demand caused by local supply shortages resulting from the weak high season.

Cashew Project

- The colour sorter arrived on 12 June and will enable the Company to significantly increase production capacity once installed.
- As stated last month, the arrival of the colour sorter together with the utilisation of the shelling machines the Company already has on site should see production materially increase to over 50%.
- The first 11 of the 15 shelling machines are assembled and are expected to be delivered to the port in Italy shortly. Even if there are delays, we have sufficient substitute shelling machines on site that we purchased in case of this issue so this shipment should not present a significant bottleneck to the ramp up of production.

Lincoln Moore, Dekel 's Executive Director , said: "It has been an extraordinary first 5 months of 2022 with record CPO prices and near record CPO extraction rates, coupled with the weakest high season volumes local industry experts have ever seen. Importantly, financial performance of the Palm Oil Operation has remained robust, driven by healthy gross margin percentages. Shipping issues continue to be a big challenge; however, with the colour sorter having arrived on 12 June, the Company will be able to ramp up production of the Cashew Operation. We look forward to providing operational and financial metric data as the operation settles into a rhythm."

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.

**** 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

Ben Good

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 commenced production in early January 2021.

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