

# SEPTEMBER PALM OIL & Q3 CASHEW OPERATION UPDATE

[DEKEL AGRI-VISION PLC](#)

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10 October 2023

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

## Dekel Agri-Vision Plc (‘Dekel’ or the ‘Company’)

### September Palm Oil Production & Q3 2023 Cashew Operation 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 Q3 2023 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 continued to deliver strong volumes during Q3 2023 with Fresh Fruit Bunch (FFB) volumes and Crude Palm Oil (CPO) production increasing 90.7% and 78.4% respectively compared to Q3 2022. This was also our 7<sup>th</sup> successive month of significantly higher production compared to 2022.
- CPO sales quantities increased 192.4% in Q3 2023 compared to last year. A large portion of the higher than normal CPO inventory at the end of H1 2023 (due to the late high season), has now been successfully sold and inventory levels have normalised.
- The Q3 2023 average CPO sales price achieved was €817 per tonne, a 20.1% decrease from the record Q3 2022 CPO sales prices. The local CPO price in September 2023 increased slightly to €822 per tonne despite some softening of the international CPO price from c.€900 per tonne to c.€850 per tonne as local stock levels start to tighten following the strong production high season.
- The CPO extraction rate for Q3 2023 of 19.3% was slightly lower than Q3 2022, albeit we saw an improvement in the extraction rate in September to 19.8%.
- Overall, largely due to the 192.2% increase in CPO sales volumes in Q3 2023 compared to Q3 2022, we maintain our guidance that H2 2023 is well positioned to materially outperform H2 2022.

	Sept-23	Sept-22	Change	Q3-2023	Q3-2022	Change
FFB processed (tonnes)	10,866	6,074	78.9%	30,084	15,777	90.7%
CPO Extraction Rate	19.8%	21.3%	-7.0%	19.3%	20.6%	-6.3%
CPO production (tonnes)	2,149	1,296	65.8%	5,797	3,249	78.4%
CPO Sales (tonnes)	2,734	1,076	154.1%	10,143	3,471	192.2%
Average CPO price per tonne	€822	€1,030	-20.2%	817	1,022	-20.1%
Palm Kernel Oil (PKO) production (tonnes)	97	105	-7.6%	489	286	71.0%
PKO Sales (tonnes)	105	53	98.1%	1,463	464	215.3%
Average PKO price per tonne	€838	€1,176	-28.7%	€783	€1,372	-42.9%

#### Cashew Operation Update

- The volume of Raw Cashew Nut (RCN) processed in Q3 2023 increased 134.5% compared to Q2 2023. This was due to gradual improvements in the production value chain and less operational interruption following the successful completion of the BRC Global Food standard assessment which took place in Q2 2023.
- Whilst we have seen improvements in daily processing levels, the performance of various items of equipment provided by our Italian supplier remain below technical specifications, most notably the peeling and shelling machinery. We have taken further actions to supplement the Italian equipment including ordering additional shelling machines from an external party which are expected to be installed in November 2023. We have successfully used these alternate shelling machines when initially awaiting delayed equipment from the Italian supplier and the installation of these machines should drive a further a material increase in processing volumes.
- The other main value drivers of the Cashew Operation including the price of Raw Cashew Nut (RCN), the Cashew extraction rate and sales prices are delivering in line with expectations.

#### Q3-2023

##### RCN Inventory

Opening RCN Inventory (tonnes)	2,460
RCN Purchased (tonnes)	41
RCN Processed (tonnes)	530
Closing RCN Inventory (tonnes)	1,971

##### Cashew Processing

Opening Cashews (tonnes)	118
RCN Processed (tonnes)	530
Cashew Extraction Rate	22.4%
Cashew Produced (tonnes)	119
Cashew Sales (tonnes)	35
Closing Cashews (tonnes)	202

##### Average Sales prices per tonne

- Unpeeled Cashews	€3,300
- Peeled Cashews	€4,500

**Lincoln Moore, Dekel's Executive Director, said:** "A 192% increase in Q3 CPO sales volumes compared to Q3 2022 has kicked off a very strong start to the H2 2023 financial performance of the Palm Oil Operation which is performing at close to record levels."

"It is pleasing to see a 134% increasing in the Cashew Operation processing rate compared to Q2 2023 and we are taking further measures to drive the next step up in production volumes over the coming months as we strive to enhance production volumes and deliver positive operating cashflow from the Cashew Operation."

**\*\* ENDS \*\***

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#### 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 in 2023.

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