



S&W Seed Comments On California Drought

Company does not expect a material negative impact on 2014 harvest

For Immediate Release

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FIVE POINTS, California – February 3, 2014 – S&W Seed Company (Nasdaq: SANW), is the world's largest producer of non-dormant, alfalfa seed varieties. S&W produces alfalfa seed in the San Joaquin and Imperial Valley's of California, as well as in South Australia. As of today, it does not appear to S&W that drought conditions in California will have a material negative impact on the Company's calendar 2014 seed production.

Mark Grewal, chief executive officer of S&W Seed Company commented, "I do not believe that our alfalfa seed production will be curtailed in any significant way by the drought. Our California production comes from the Imperial Valley, which is watered from the Colorado River, and from the San Joaquin Valley, where our seed farmers have access to well water for irrigation. None of our domestic farming is 'dry land farming' that relies on rain. Obviously, the California drought is totally irrelevant to Australia, where a majority of our seed tonnage is produced."

Mr. Grewal added, "Achieving good alfalfa seed yields in irrigated fields requires less water compared to other crops. Rain anytime during the cropping season can be a detriment to high yields in alfalfa seed production. We are confident that even if there were many more weeks or months of no rainfall, that our yields for the upcoming season would not be materially affected by the current lack of rain."

Mr. Grewal continued, "As has been reported in various press articles, we would anticipate that the drought conditions will have a negative effect on 'alfalfa hay' production in California as well as wheat, corn silage and other forages. This will likely drive the price of alfalfa hay up. Fortunately for S&W, the vast majority of our seed customers are based outside of California; in fact only a small percent of our seed sold last year was to California customers. Higher domestic hay prices often leads to more Imperial Valley farmers growing hay, instead of shifting to grow non-certified common seed in July and August, making the supply of seed we have to compete against just that much smaller."



Mr. Grewal concluded, “All of us at S&W are deeply saddened by the punishing effect that this drought is having on many California farm families, amongst whom we share many close friendships. Our deep-felt prayers go out to all of those affected. Despite this tragedy, however, S&W does not anticipate that the drought will have a material adverse impact on either the farmers with whom we contract for alfalfa seed or on our own in-house production.”

About S&W Seed Company

Founded as a partnership in 1980, S&W Seed Company is now a global agricultural corporation, headquartered in the Central Valley of California. The company is the largest producer of non-dormant, alfalfa seed varieties in the world, with production operations in the San Joaquin and Imperial Valley’s of California, as well as in South Australia. The company has worldwide sales and distribution through both a direct sales force as well as dealer-distributors. The company’s proprietary varieties are designed to meet the shifting needs of farmers that require high performance in poor and highly saline soil conditions and have been verified over decades of university-sponsored trials. Additionally, the company is utilizing its research and breeding expertise to develop and produce U.S.-based stevia leaf. Stevia is an all-natural, zero calorie sweetener from the food and beverage industry. For more information, please visit www.swseedco.com.

Safe Harbor Statement

This release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and such forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. “Forward-looking statements” describe future expectations, plans, results, or strategies and are generally preceded by words such as “may,” “future,” “plan” or “planned,” “will” or “should,” “expected,” “anticipates,” “draft,” “eventually” or “projected.” You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause future circumstances, events, or results to differ materially from those projected in the forward-looking statements, including the risks that actual results may differ materially from those projected in the forward-looking statements as a result of various factors and other risks identified in the company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2013, and in other filings made by the Company with the Securities and Exchange Commission.

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