

COMPANY SNAPSHOT

COMPANY NAME

Duxton Broadacre Farms Limited

INVESTMENT MANAGER

Duxton Capital (Australia)

PORTFOLIO

4 broadacre aggregations

LOCATIONS

Forbes and West Wyalong, NSW
Naracoorte, SA

HECTARES

21,445 owned

WATER ENTITLEMENTS (ML)

8,573 owned
6,798 leased



Duxton Broadacre Farms Limited ("DBF") presents investors with a unique opportunity to participate directly in the Australian grain industry and the possibility to provide shareholders with both ongoing annual operational yield and longer-term capital growth. DBF intends to achieve this through the acquisition and aggregation of land rich parcels into its existing portfolio of diversified high-quality farms, to improve operational efficiencies and the diversification of commodities produced to satisfy the long-term growth in global grain demand.

INVESTMENT AND OPERATIONAL UPDATE

SHARE BUY-BACK

The share buy-back continued this month with the on-market acquisition of 8,500 shares. This brings the total number of shares bought under the buyback to 628,672. The Company can acquire up to 831,428 additional shares. The intent of the buyback is to enable DBF to acquire shares in the event the Board determines shares are trading at a discount to intrinsic value.

IRRIGATION

The ongoing rollout of the irrigation development program continued over April. The infrastructure development projects are aligned with the Company's broader risk mitigation strategy by seeking to increase water security, visibility and operational flexibility. Construction of the second storage facility at Walla Wallah that commenced during March is progressing well with installation of the distributor barrel successfully completed and supply pipe installation is underway. The

successful production bore at Walla Wallah has had an application lodged with State Water. This bore has the capacity to yield up to 20ML/day. WaterNSW will undertake a hydrology assessment of the bore to determine the size of the allocation. The hydrological assessment was scheduled for completion by the end of March but has now been delayed until mid-May.

SUMMER CROPS

The cotton crop pick is continuing and is anticipated to be finished by mid-May. Preparations continue for next year's cotton plantings.

WINTER CROPS

DBF has commenced sowing wheat and barley when conditions allow. Variable rainfall has been received across all farms during the month. More regular rainfall across the newly planted crops would ensure strong early development of these crops.



Cotton at Yarraplea ready to be picked

LIVESTOCK

DBF continues to maintain adequate reserves of fodder for livestock which will allow for stock to continue to be fattened. The sale of stock continued over the month. Angus cows are being sourced for herd replacement. Areas of grazing wheat have been planted for livestock fodder.

LOCAL WEATHER

Central-west New South Wales (NSW) recorded April rainfall of 0.2mm, the historic average is 22.2mm. The mean temperature for April was 26.9°C, above the long-term average of 24.7°C. In south-east South Australia (SA), April recorded rainfall of 7.6mm compared to the historic average of 35.8mm. The mean temperature for April was 22.4°C. This is slightly above the long-term average of 22.1°C. Nationally, the country faced the equal-seventh-warmest April on record. In NSW it was the fifth warmest on record. It has been the warmest January-April on record for Australia.

The Bureau of Meteorology's (BoM) climate outlook for May has predicted a 75% chance of rainfall between 5-10mm and a >80% chance of temperatures exceeding the long-term median of 18-21°C for central-west NSW. Comparatively south-east SA has a 75% chance of rainfall between 10-25mm and a 70-75% chance of temperatures exceeding the long-term median of 15-18°C. Nationally, the BoM predicts warmer temperatures both day and night from May through to July. The BoM's climate model suggests that a short El Niño may develop, possibly during winter.

AUSTRALIAN MARKET INSIGHTS

CROP PRICES

Domestic grain prices have softened since March. Pricing fluctuations at this time of year can be attributed to forecast climatic conditions and demand in the market. Positive rainfall outlooks increase the likelihood of a larger planted area. The potential for greater supply may dampen prices. If rainfall is lower than expected or it is highly variable, market prices could rise to reflect anticipation of shortages in supply.

COTTON PRICES

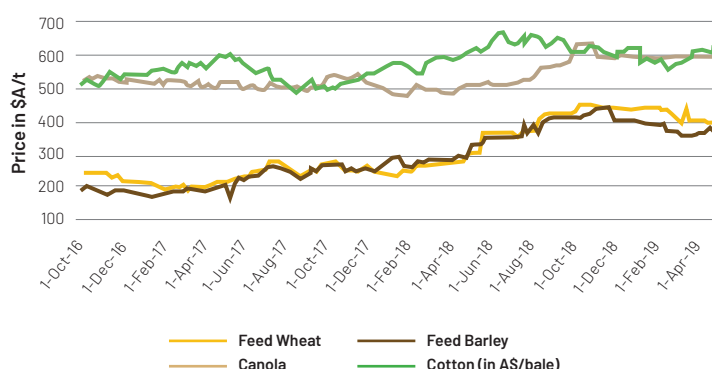
International cotton prices fluctuated during April by one to two cents but finished slightly lower at 86.5 USc/lb. Latest supply outlooks by Cotlook have seen forecast tonnage reduced but it is still expected to exceed 27 million tonnes. This would be the second largest pick in history. Production in the United States is expected to improve from last year driven by higher production in Texas. Uzbekistan's production has been impacted by State-mandated restrictions, but this reduction has been offset by likely record production from the African Franc Zone. The Brazilian crop is also expected to be improved from last year. Consumption is expected to be 26.6 million tonnes. This would result in global stock levels growing by 400,000 tonnes¹.

DOMESTIC GRAIN PRICE CHANGES PAST 12 MONTHS*

| CROP | CURRENT PRICE (per tonne) | PRICE 12 MONTHS AGO | PERCENTAGE CHANGE |
|-------------|------------------------------|---------------------|----------------------|
| Feed Wheat | \$390 | \$280 | 39% |
| Feed Barley | \$365 | \$284 | 29% |
| Canola | \$597 | \$510 | 17% |
| Cotton | \$624/bale | \$609/bale | 2% |

* data retrieved from ABARES weekly commodity reports

DOMESTIC CROP INDICATOR PRICES

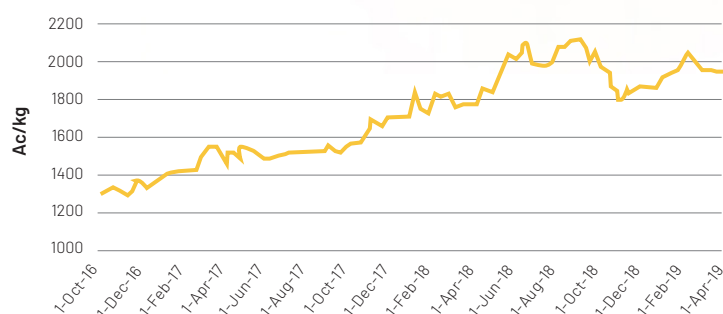


CROP PRODUCTION

The International Grains Council (IGC) has maintained its forecast for Australia's total grain production at 28.4 million tonnes for last season. Over the coming months regular rain is required in the major grain growing regions or production could once again be below historic averages. With the extensive dry conditions that have been experienced over the past 18 months, the rain that will be required to develop adequate soil moisture levels is higher than in a typical season. Planting area could be above historic levels if conditions recover before planting ceases due to recent reductions in livestock numbers and greater availability of fallow land.

1. Cotlook Limited. 2019. April 2019 Market Summary.

WOOL EASTERN MARKET INDICATOR



WOOL PRICES

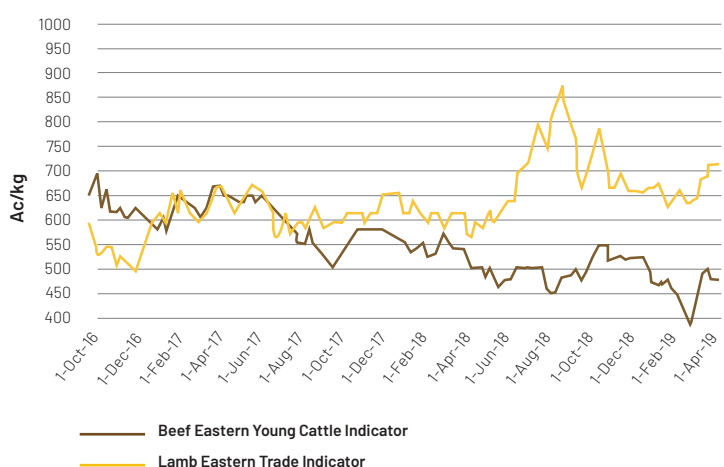
Wool prices have reduced slightly from last month but remain 6% above this time last year. Prices at the start of the month continued to move slowly downward as a trading level was established for the drought affected wool that was available in the market. Towards the end of the month, the downward price trend reversed as increased demand from China and an improvement in wool quality in the market saw prices rise slightly². Optimism for Chinese demand is also the result of improved bank lending with less restrictions and more accessible finance. With the Easter break taking place at the end of the month an increase in volume is expected during the first week of May.

DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

| LIVESTOCK | CURRENT PRICE (per kg) | PRICE 12 MONTHS AGO | PERCENTAGE CHANGE |
|-----------|------------------------|---------------------|-------------------|
| Beef | \$4.81 | \$4.96 | -3% |
| Lamb | \$7.13 | \$5.71 | 25% |
| Wool | \$19.43 | \$18.25 | 6% |

* data retrieved from ABARES weekly commodity reports

AUSTRALIAN LIVESTOCK PRICES



LIVESTOCK PRICES

The Australian Eastern Young Cattle Indicator (EYCI) increased during the month to \$4.81/kg. Cattle prices saw an increase at the start of the month before settling back slightly. The initial price rise was caused by tightening supply after heavy rain was experienced in eastern Australia. The rain brought some optimism to producers which caused them to hold stock. This resulted in lower volume in the market and increased competition for stock from processors. Towards the end of the month prices eased slightly as volume started to enter the market again.

Lamb prices have strengthened during the month improving to \$7.13/kg. This represents the first time since November that prices have breached the \$7/kg mark. Price rises are attributed to recent rains that have improved the confidence of buyers to start restocking. Price changes are responsive to available supply in the market. Following a dry season where several producers decided not to restock or keep breeders market supply could come under pressure.

GLOBAL MARKET INSIGHTS

WEATHER

Weather during the month has been generally favourable with some exceptions, including dry conditions in Russia, Canada and the EU impacting the wheat crop, dry conditions in Russia and South Africa impacting the maize crop, dry conditions in Thailand impacting the rice crop and flooding impacting the soybean crop in northern Argentina³. Globally, the winter wheat crop is developing under favourable conditions. Sowing of spring wheat has begun with favourable conditions. India is experiencing lower than average temperatures which should assist during the early development

2. Australian Wool Innovation Limited. 2019. Weekly Price Report

3. Agricultural Market Information System (AMIS). (2019). Market Monitor April 2019.

stages of the wheat crop. The conditions for maize are predominately positive with Argentina experiencing excellent conditions leading to a likely new record level of production. Rice and soybean plantings globally are in favourable condition, apart from some small areas of Argentina which received heavy rains and flooding.

PRODUCTION

During the month, projections for the 2018/19 grain season have remained stable. The 2018/19 grain season is projected to produce 2,121 million tonnes of grain, a two-year low. For reference, the average world total annual grain production for the past 10 years has been 1,960 million tonnes. Overall wheat production is expected to be down year-on-year by 29 million tonnes and barley is forecast to have the smallest harvest in six years.

GRAIN PRICES

Grain prices are influenced by several factors including but not limited to, supply and demand, political risk, global economic conditions and weather. The IGC global grain and oilseed index weakened during the month, due to favourable outlooks for the northern hemisphere winter grains harvest. The index is currently at a 3-year low. The wheat index finished April down 6.4%. The wheat index is down 6.6% year on year. The wheat index dropped during the month as there is an expectation that this year's Winter wheat harvest will be strong, with favourable conditions being experienced in most major producing regions. The soybean index was 4.5% lower than last month due to the expectation that this year will be a large crop due to favourable growing conditions in most major producing regions. The maize index was down by 5.7% during the month.



Cotton in the process of being picked

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