

Monthly Update



MARCH 2023



INVESTMENT NAME

Duxton Farms Ltd
ASX Code: DBF

INVESTMENT MANAGER

Duxton Capital (Australia) Pty Ltd

PORTFOLIO

9 Properties in 3 Localities
23,123 Hectares Owned, 141,944 Leased

FAIR MARKET VALUE NAV PER SHARE

\$2.61 (31 December 2022)

STATUTORY NAV PER SHARE

\$2.48 (31 December 2022)

WATER ENTITLEMENTS (ML)

10,035 owned
6,798 leased





Duxton Farms Limited ("Duxton Farms" / "Company") is an Australian agricultural enterprise that directly invests in and operates a diversified portfolio of efficient, high-quality farmland assets. As a significant landowner and an active producer of key agricultural commodities, the Company seeks to provide investors with returns through ongoing operational yields and sustainable long-term capital appreciation. Duxton Farms seeks to achieve this objective by implementing best-in-class farm management techniques at scale, to produce a diverse range of commodities in an efficient manner, all with the goal of satisfying increasing global demand for key agricultural staples.



COMPANY SNAPSHOT

Duxton Farms manages a diversified portfolio of agricultural assets spanning 165,067 hectares across New South Wales, Victoria and the Northern Territory. The Company operates a variety of production systems producing a wide range of food, feed and fibre products, including wheat, barley, canola, cotton, wool and livestock. A visual overview of Duxton Farms property portfolio is pictured below:

DUXTON FARMS PORTFOLIO OVERVIEW

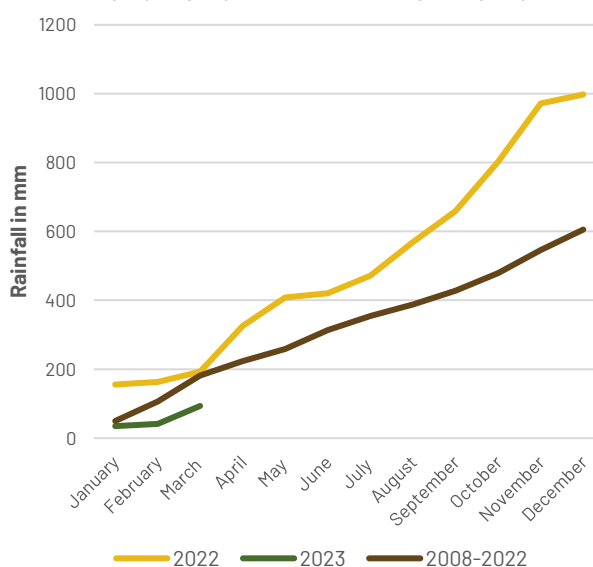


NSW FORBES AGGREGATION

LOCAL WEATHER

The Central West of New South Wales (Forbes Airport AWS) recorded 52.2mm of rainfall in March, largely in line with the historical mean of 54.5mm for the month. Forbes has received 93.2mm of rainfall year to date, 52% lower than at the same time last year and 49% below the 15-year average. Mean maximum temperatures averaged 30.6°C for the month, 1.3°C warmer than the long-term average for March of 29.3°C.

CUMULATIVE RAINFALL (FORBES AIRPORT AWS) 2023 VS 15 YEAR AVERAGE VS 2022



2023/24 CROP UPDATE

Weather conditions during March were favourable for the Company's 2023/24 season crop, with pleasing rainfall volumes across most areas of the Forbes aggregation. Land preparation is nearly complete, with the majority of the planned cropping area ready for planting. Discing is ongoing across some areas to remove remnants of the previous crop and weeds post-flooding, while seed and fertiliser inputs have been secured and are on farm in preparation for planting.

For the summer crop, small areas of forage sorghum have been planted for fodder and to supplement the Company's hay supplies. Land preparation is ongoing across cropping areas that were previously flooded, and repairs to irrigation channels are being completed where required.



NSW FORBES AGGREGATION (CONT.)

LIVESTOCK

Rainfall and reasonably warm weather conditions are supporting strong pasture growth across the Company's Forbes aggregation. Production of hay continued over March, supporting feed reserves for the Company's livestock and breeding programmes. Livestock are being sold as they meet market specification, with additional purchases occurring as favourable opportunities arise.

IRRIGATION

The Wyangala Dam was 98% full at the end of March, while the Company's water allocations remained at 115%, reflecting plenty of supply in the system. With limited additional inflows required for the Wyangala dam to reach 100% capacity, water accounts may be reset in the near term. Plans to rebuild a used irrigation pivot to support winter grain and fodder production remain in place, with works expected to commence by summer 2024.

PIAMBIE

Cropping plans at Piambie have been finalised, with fields to undergo work to prepare them for winter cropping. Planting is expected to commence in May, with a mixture of irrigated wheat and canola seed production. Roads, channels, and head ditches were graded over the month, and the Company received the results of a land survey undertaken to facilitate future developments plans and to form the planting schedule of the winter cropping programme. There are no plans to plant a summer crop at Piambie this season.



Fertiliser Delivery (March 2023)

MOUNTAIN VALLEY STATION (LEASED)

Forage sorghum has been planted at Mountain Valley in areas adjacent to the homestead, which the Company plans to cut for hay. Recent rainfall at Mountain Valley has been reasonable, with the property avoiding the heavier flooding which impacted many other properties in the Northern Territory in March. Livestock activity was limited over the month due to the Northern Territory wet season, although, a small number of heifers in calf were purchased in New South Wales with delivery expected during April. Construction of additional fencing for livestock is expected to commence following the end of the wet season.

SHARE BUYBACK

During the month 34,000 shares were bought back. The total number of shares bought under the buyback is 2,729,774 with the Company able to acquire up to 4,115,308 additional shares.



Row cropping at Yarranlea (March 2023)



AUSTRALIAN MARKET INSIGHTS

CROP PRICES

Grain prices across Australia often vary by port of export, with Duxton Farms historically delivering to the Port Kembla Zone. Local wheat prices during March for Port Kembla APW1 (premium quality) finished the month at \$395 per tonne at port. This represents a slight 1% increase over prices as at the end of last month, and an 8% increase on prices as at the same time last year. Port Kembla barley prices finished the month at \$335 per tonne at port, a 7% increase over last month and a 4% increase over the same time last year.¹

International wheat prices were largely flat over March, with US CBOT May 2023 wheat futures ending at US\$6.92/bushel. Whilst flat month on month, this is a 33% decrease compared to prices as at the end of March 2022. International grain prices continue to be influenced by conflict in Eastern Europe. The Black Sea grain corridor deal has been extended, allowing large volumes of Russian and Ukrainian exports to enter markets which is keeping prices suppressed. However, the extension may remain only in place until mid-May 2023, meaning that a further extension will be required if the corridor is to remain in place during Ukraine's harvest.²

GRAIN PRICES CHANGES PAST 12 MONTHS*

Crop	Current Price (per tonne)	Price 12 Months Ago (March 2022)	Percentage Change
Port Kembla Zone Wheat (APW1)	\$395/tonne	\$365/tonne	1%
CBOT Wheat Futures	US\$6.92 /bushel	US\$10.27 /bushel	(33%)
Cotton	\$688/bale	\$10.43/bale	(34%)

*Data from Profarmer Australia, CBOT, ABARES and Cotlook

¹ Profarmer Australia, 2023.

² Voznesenski, D, 2023. Rabobank Agribusiness Monthly April 2023, Grains & Oilseeds.

³ McGeogh, E, 2023. Grains & Oilseeds - Australia Agribusiness Monthly, April 2023.

⁴ Cotlook 'A' Index, Market Summary, March 2023.



Urea Fertiliser at Kentucky(March 2023)

COTTON PRICES

International cotton prices fell by 6% over March with the Cotlook 'A' Index ending at 92USc/lb for the month. In Australian dollar terms, this translates to prices of \$688/bale, a 34% decrease compared to the same time last year. A slowing global economic outlook, rising inflation and interest rates, alongside banking concerns are weighing on cotton demand. Despite the challenging demand outlook, supply side disruptions are providing some support for cotton prices. Reduced export volumes are expected from Brazil and Argentina, alongside falling production estimates in India.³ Cotlook's forecasts for 2022/23 season world production are currently placed at 24.9 million tonnes. Production volumes are expected to exceed total consumption and as a result global stocks are forecast to increase by 1.6 million tonnes.⁴

AUSTRALIAN COTTON PRICES





LIVESTOCK PRICES

The Australian Eastern Young Cattle Indicator ('EYCI') fell by 5% over March, ending the month at \$6.72/kg. The EYCI has now fallen by 39% from the same time last year. Declining cattle prices are largely attributed to rising supply, following over two years of herd rebuilding and the processing sector nearing full capacity. Increased supply has contributed to higher slaughter volumes and trade, with total beef exports in March of just under 99,000 tonnes. This represented a 40% increase compared to the prior month, and the highest monthly export volume since December 2019.⁵ In the coming months, Australian cattle prices may find support on the back of rising United States import prices. The recent favourable rainfall across eastern Australia is also likely to support autumn pasture growth, which may support cattle prices over this period.⁶

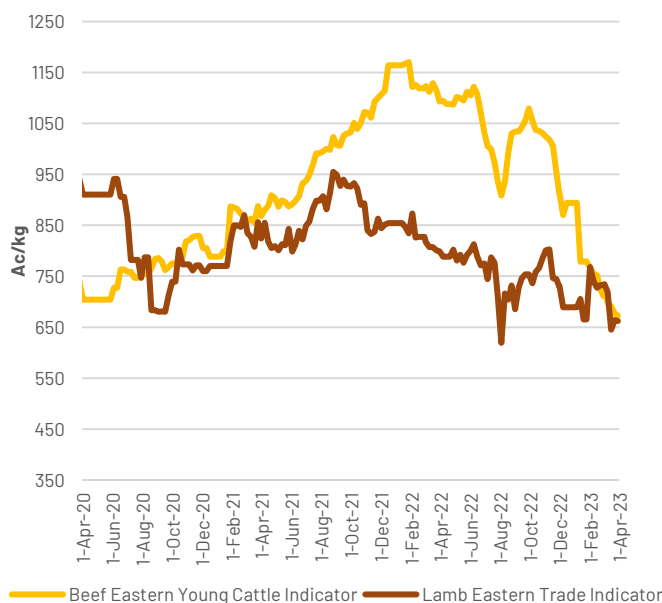
The Australian Eastern States Trade Lamb Indicator ('ESTLI') also recorded declines over March, ending the month 10% lower at \$6.62/kg. The ESTLI is now 17% lower than at the same time last year. High volumes of lamb supply in the market, amid softening demand conditions is placing downwards pressure on Australian lamb prices. There are concerns over export demand, with total export volumes only 3% higher year on year. In March, China overtook the United States as the top export market for the month. This is the first time China has held this title since May 2021. This follows an 8% rise in exports to China, and an 11.3% decline in exports to the United States.⁷

⁵ Rural Bank, 2023. Cattle Insights April 2023.

⁶ Gidley-Baird, A. 2023, Cattle - Australia Agribusiness Monthly, April 2023.

⁷ Rural Bank, 2023. Sheep & Lamb Insights April 2023.

AUSTRALIAN LIVESTOCK PRICES



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

Stock	Current Price (per kg)	Price 12 Months Ago (March 2022)	Percentage Change
Beef	\$7.11	\$11.19	(36%)
Lamb	\$7.33	\$8.27	(11%)
Wool	\$13.64	\$14.21	(4%)

* Data from ABARES weekly commodity reports and Australian Wool Innovation Ltd



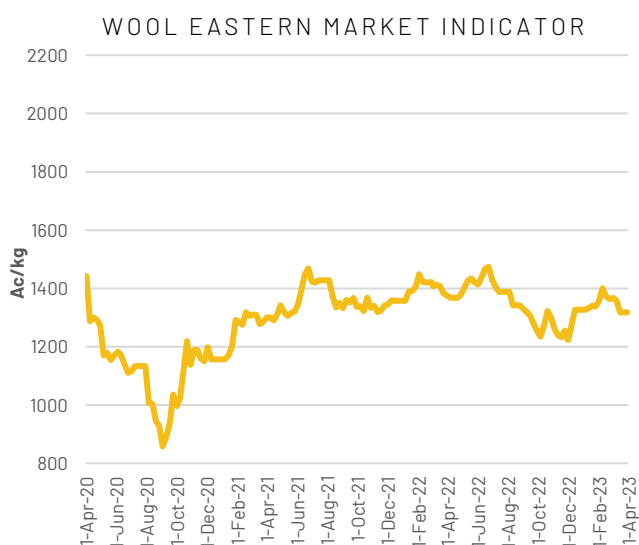
Cattle at Merriment (March 2023)



Lucerne at Cowaribin (March 2023)

WOOL PRICES

Australian wool prices fell by 3% over February, with the Eastern Market Indicator ('EMI') ending the month at \$13.18/kg. Wool prices are now 4% down compared to the same time last year. Price movements over March are largely attributed to logistical challenges at Port Melbourne, restricting trade and therefore negatively impacting demand. Prices for wool over March were also impacted by growing apprehension across global markets caused by issues within the banking sector.⁸ In China, following the relaxation of COVID-19 lockdowns, the textile manufacturing sector is showing promising activity, which may provide support for wool prices. In February 2023, wool imports to China were up 18% compared to the prior year.⁹



⁸ Australian Wool Innovation Limited, 2023. Weekly Price Report – Week 37, March 2023.

⁹ McGeagh, E. 2023, Wool – Australia Agribusiness Monthly, April 2023.

¹⁰ ABARES, Australian Crop Report, March 2023.

NATIONAL CROP PRODUCTION

ABARES national winter crop production estimates for the 2022/23 season are currently placed at 67.3 million tonnes. If realised, this level of production represents a 4 million tonne increase on the prior year and a new record for the country. The record winter crop volume is largely comprised of wheat, with an all time high, 39.2 million tonne harvest expected. Total canola production of 8.3 million tonnes if realised would also represent a new record. Expected barley production of 14.1 million tonnes if realised would represent the 3rd largest barley crop on record for the country. The expected record production volumes are attributed to Australia recording one of the wettest springs in its history. Favourable weather conditions have contributed to expected record production volumes in Western Australia, South Australia and most parts of Victoria. Whilst overall the wet conditions were favourable for crop production, an estimated 8.1% of New South Wales and 2.9% of Victoria's cropping land was significantly impacted by flooding. Prolonged waterlogging in some cropping regions has damaged crops in the eastern states, causing delays to harvests and substantial quality downgrades.

Total summer crop production is forecast at approximately 5 million tonnes, 10% below last year's record however 57% above the national 10-year average. In Queensland and northern New South Wales, summer cropping regions are likely to be negatively impacted by below average summer rainfall. Area planted to summer crops are estimated to have increased by 4% nationally. However, variances exist between regions. For example, New South Wales planted area is estimated to have fallen by 2% due to wet conditions and flooding during the planting window. These falls are however expected to be offset by a 9% increase in planted area from Queensland.¹⁰



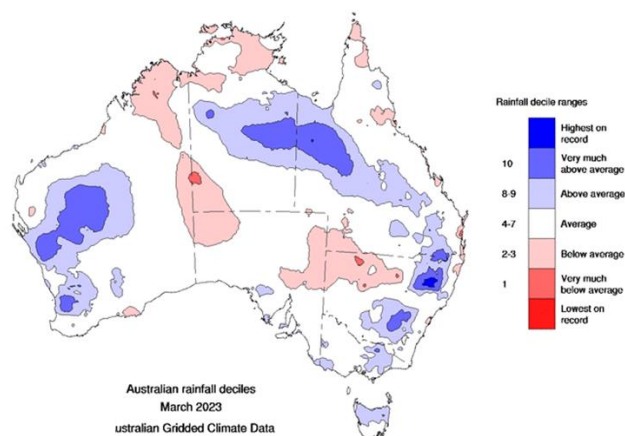
NATIONAL WEATHER

For Australia as a whole, rainfall during March was 7% below the 1961-1990 national-area average. Above average rainfall was recorded across areas of central Northern Territory, extending through to central Queensland and along parts of eastern Australia. Much of Western Australia and northern Tasmania also recorded above average rainfall. Rainfall was below average in parts of the northern tropics, the northern interior of Western Australia and north-western New South Wales. South Australia in particular recorded a dry March, with average area rainfall of only 7.4mm representing a 63% departure from the long-term average for the state. In the northern tropics, storms and heavy rainfall during late February continued throughout the first ten days of March. The northern interior of the Northern Territory and north-western Queensland were particularly impacted by heavy rainfall. This resulted in major flooding along several rivers, the evacuation of some communities and the closure of several transport routes.

National mean temperatures for March were 1.11°C warmer than the 1961-1990 average for Australia as a whole. This represented the equal tenth warmest March for the country on record. Mean maximum temperatures were either average or above average for most parts of the country. Heatwaves during the middle of the month resulted in the highest March temperatures on record observed at many weather stations throughout New South Wales, as well as some stations in north-west Victoria, areas of pastoral South Australia and south-east Queensland. The only areas recording below average temperatures included parts of central and eastern Northern Territory, areas of western Queensland and far south-east South Australia and south-west Victoria.¹¹

The Australian Bureau of Meteorology's 28 March 2023, Climate Driver update reports that the El Niño-Southern Oscillation is currently neutral (neither La Niña nor El Niño). However, the Bureau alongside many other international climate models are forecasting a possible shift to El Niño conditions by July 2024. El Niño conditions are typically associated with below average winter-spring rainfall in eastern parts of the country, and a drier start to the wet season in northern Australia. Many international climate models are suggesting the Indian Ocean Dipole may become positive during late autumn or winter. IOD forecasts made at this time of the year typically have low accuracy. However, in the event of a positive IOD conditions, these typically suppress winter and spring rainfall over much of Australia and may exacerbate the drying effect of El Niño.¹²

RAINFALL DECILE CHART MARCH 2023



Source: Bureau of Meteorology

¹¹ Australian Bureau of Meteorology, Australia in March 2023.

¹² Bureau of Meteorology, Climate Driver Update, 28 March 2023.



Land Preparations for Row cropping at Yarranlea (March 2023)



GLOBAL MARKET INSIGHTS

WEATHER

International weather conditions for the major crops of wheat, maize, rice and soybeans are largely favourable as at the end of March. However, there are some areas of concern, mostly in parts of South America and Africa. For wheat crops, in the northern hemisphere winter wheat is progressing under mostly positive conditions. In Ukraine, away from conflict areas, crops are progressing well, however dry weather has developed which may cause challenges with crops in southern Odessa. In the EU, conditions are generally favourable however some northern areas have been impacted by higher temperatures and reduced rainfall. In the United States, dry conditions remain across central and southern regions as crops start breaking out of their dormancy. For maize crops, Brazil's harvest is ongoing for the spring planted crop, however a lack of rainfall and high temperatures have negatively impacted some areas. In Argentina, substantially reduced maize yields are expected due to prolonged drought. South Africa's maize crops are progressing under mostly favourable conditions following above average rainfall earlier in the season. For rice, sowing of crops is off to a good start in China. In India, the Rabi season crop is progressing well due to excess rainfall supporting irrigation requirements. In Indonesia, sowing of

wet season rice is nearing completion with an expected increase in total sown area compared to prior year. Brazil's rice harvest is ongoing with reduced yields expected in southern areas due to the drought. For soybeans, harvest is ongoing in Brazil with strong yields expected across most areas, however drought and high temperatures are a concern in the southern Rio Grande do Sul state. In Argentina, rainfall deficits in central areas, frost impacts during February and recent above average temperatures are likely to impact crops.¹³

PRODUCTION

In its 16 March 2023 update, the International Grains Council (IGC) is forecasting total grains (wheat and coarse grains) production for the 2022/23 season of 2,250 million tonnes. If realised, this would represent a 2% fall in production compared to prior year, largely attributed to a smaller international maize crop. Global consumption of grains is also expected to contract, largely due to reduced feed use. Overall however, due to relatively larger falls in supply, world grain stocks are forecast to tighten by 2% to an eight-year low of 586 million tonnes.¹⁴

¹³ AMIS, 2023. Market Monitor April 2023.

¹⁴ International Grains Council, Grain Market Report, 16 March 2023.



Forage Sorghum at Mountain Valley Station (February 2023)



Brahman Heifers (December 2022)

This monthly update is prepared by Duxton Capital (Australia) Pty Ltd [ACN: 164 225 647; AFSL no. 450218] ("Duxton Capital (Australia)"). Duxton Capital (Australia) is the Investment Manager of Duxton Farms Limited [ACN 129 249 243] ("Duxton Farms"). This monthly update has been prepared for the purposes of providing general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in Duxton Farms. Information from this monthly update must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation. The forecasts provided are based upon our opinion of the market as at this date and are subject to change, dependent on future changes in the market. Any prediction, projection or forecast on the economy, stock market, bond market or the economic trends of the markets is not necessarily indicative of the future or likely performance. Investments are subject to risks, including possible loss of principal amount invested. The value of shares/ units and their derived income may fall as well as rise. Past performance or any prediction or forecast is not necessarily indicative of future performance. No assurance is given that the investment objective or the targets will be met. This document does not constitute investment, tax, legal or any other form of advice or recommendation and was prepared without regard to the specific objectives, financial situation or needs of any particular person who may receive it. Investors should study all relevant information and consider whether the investment is appropriate for them. If you require investment or financial advice please contact a regulated financial adviser. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in this presentation. The Duxton Group or its affiliates may hold positions in the securities referred. Where securities are mentioned, it should not be construed that these are recommendations to buy or sell those securities. You are not authorised to redistribute this document nor qualified to make any offer, representation or contract on behalf of Duxton Capital (Australia) or its affiliates. Photographs and other graphics are included for illustrative purposes only and do not necessarily represent the assets of any particular company or fund under Duxton Capital (Australia) management and do not form part of the substantive information upon which any investment decisions should be based. Although the information was compiled from sources believed to be reliable, no liability for any error or omission is accepted by Duxton Capital (Australia) or its affiliates or any of their directors or employees. The information and opinions contained may also change. Copyright protection exists in this presentation. To the extent permitted by applicable law, none of the Duxton Group, their affiliates, or any officer or employee of the Duxton Group accepts any liability whatsoever for any direct or consequential loss arising from any use of this monthly update or its contents, including for negligence.

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This announcement has been authorised for release by the Directors of Duxton Farms Ltd.