

Monthly Update



APRIL 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

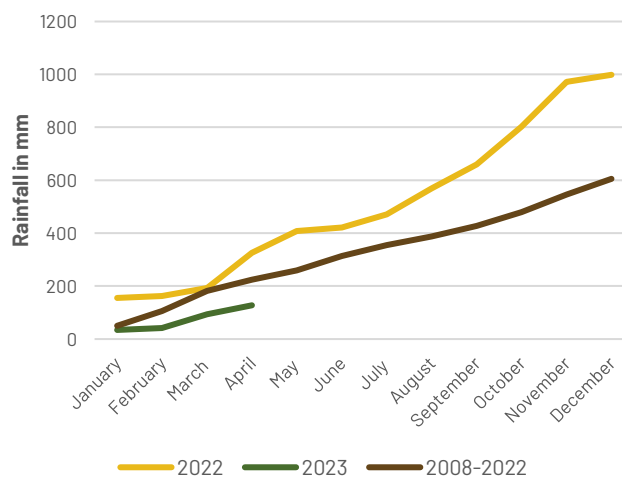


NSW FORBES AGGREGATION

LOCAL WEATHER

The Central West of New South Wales (Forbes Airport AWS) recorded 34.2mm of rainfall in April, largely in line with the historical mean of 31.6mm for the month. Forbes has received 127.4mm of rainfall year to date, 61% lower than at the same time last year and 43% below the 15-year average. Mean maximum temperatures averaged 24°C for the month, which is in line with the long-term average for April of 24.6°C.¹

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



2023/24 CROP UPDATE

Winter crop plantings of DP wheat and canola progressed well during the month. Small amounts of rain were beneficial for the planted crops and maintained moisture for the sowing area. Land preparation is completed and seed and fertiliser inputs have been secured 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, and fertiliser will be applied as conditions allow. Channel spraying is to commence in May.

¹ Bureau of Meteorology, Forbes Airport AWS, Monthly Rainfall and Temperature, April 2023.



NSW FORBES AGGREGATION (CONT.)

LIVESTOCK

Favorable weather conditions this month supported pasture growth. As temperatures cool into winter, pasture growth is likely to slow. Adequate reserves of fodder remain for livestock. Sale of livestock continue as they meet market specification, with purchases occurring as favourable opportunities arise.

IRRIGATION

The Wyangala Dam was 98% full at the end of April, while the Company's water allocations remained at 115%, reflecting plenty of supply in the system. Plans to rebuild a used irrigation pivot to support winter grain and fodder production remain in place. Parts were purchased during the month in preparation for works expected by summer 2024.

PIAMBIE

At Piambie, the results of a land survey were finalised. The survey was undertaken to facilitate future development plans and to form the planting schedule of the winter cropping programme. Cropping plans at Piambie are complete and are limited under the redevelopment plan. Winter crop plantings of wheat and canola seed are expected to commence in May. Irrigation of the winter crops will only be undertaken if required.



Heifers close to Calving - Cowaribin (March 2023)

MOUNTAIN VALLEY STATION (LEASED)

Cutting of forage sorghum commenced in April, which the Company plans to use for hay. The Northern Territory's wet season has now ended, with rain tapering off during the month. Additional fencing works are to commence in the dryer weather. A small number of PCTI Heifers were purchased and delivered to Mountain Valley Station in April.

SHARE BUYBACK

During the month, 20,000 shares were bought back. The total number of shares bought under the buyback is 2,749,774, with the Company able to acquire up to 4,095,308 additional shares.



Moving Contract Modules - Walgett (April 2023)



AUSTRALIAN MARKET INSIGHTS

CROP PRICES

Australian grain prices remained steady over April, with Port Kembla APW1 (premium quality) finishing the month at \$395 per tonne at port. This is the same price as at the end of March, and a 3% increase on prices as at the same time last year. Port Kembla barley prices finished the month at \$323 per tonne at port, a 4% decrease over last month and a 1% decrease over the same time last year.²

International wheat prices ended the month 9% lower than last month, and 42% less than the same time last year, with US CBOT July 2023 wheat futures ending at US\$6.29/bushel.

International wheat prices are feeling pressure from current supply estimates. However, given the seasonal and political variables at play, some are predicting any over-supply may be temporary.³

The 2022/23 estimate for global total grains (wheat and coarse grains) was raised in April by 2m tonnes to 2,258m tonnes. The increase was mostly attributable to increased wheat estimates. However, wheat consumption estimates were raised by 3m tonnes, reducing global stock forecasts by 1m to 584m tonnes. Trade estimates for maize increased slightly over the month.⁴

GRAIN PRICES CHANGES PAST 12 MONTHS*

Crop	Current Price (per tonne)	Price 12 Months Ago (April 2022)	Percentage Change
Port Kembla Zone Wheat (APW1)	\$395/tonne	\$385/tonne	3%
CBOT Wheat Futures	US\$6.29 /bushel	US\$10.91 /bushel	(42%)
Cotton	\$709/bale	\$1170/bale	(39%)

*Data from Profarmer Australia, CBOT, ABARES and Cotlook

² Profarmer Australia, 2023.

³ Rural Bank, Cropping Insights, 8 May 2023.

⁴ International Grains Council, Market Report, 20 April 2023.

⁵ Cotlook 'A' Index, Market Summary, April 2023.

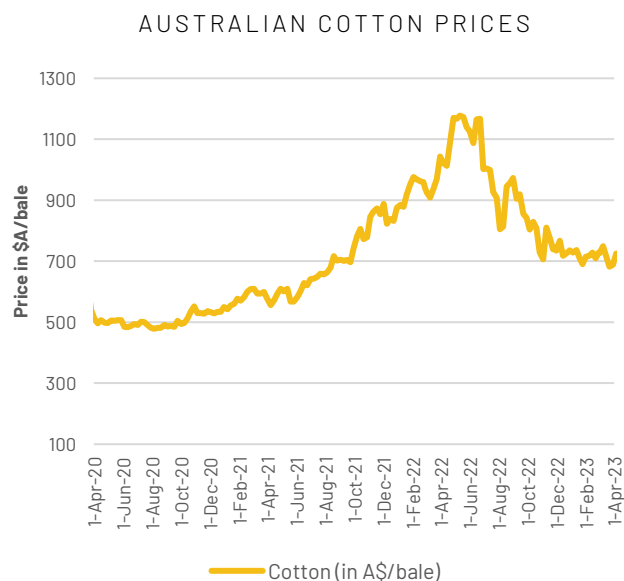


Canola emerging – Timberscombe (April 2023)

COTTON PRICES

International cotton prices rose by 2% by the end of April, with the Cotlook 'A' Index ending at 94USc/lb. In Australian dollar terms, this translates to prices of \$709/bale, representing a 3% increase over last month, and a 39% decrease compared to the same time last year. Cotton prices continue to be influenced by sluggish global economic growth. Rising interest rates and weakened demand also influenced mill purchases of raw cotton in April.

Cotlook's forecasts for 2022/23 season world production remains at 24.9m tonnes, while consumption estimates fell to 23.2m tonnes. Global cotton stocks are forecast to increase by approximately 1.7m tonnes.⁵





LIVESTOCK PRICES

The Australian Eastern Young Cattle Indicator ('EYCI') ended the month, in line with the previous month, at \$6.73/kg. The EYCI has fallen by 38% from the same time last year.

Australian cattle prices are expected to stabilise in the coming month, after a month of low slaughter rates in April, due to public holidays. Slaughter rates were 15.5% lower than in the last week of March. As a result, national beef exports fell 27% month-on-month, to just over 72,000 tonnes. This is 6.8% higher than April 2022 and in line with 2021 levels. Year to date slaughter rates for 2023 remain higher than the previous year as herd rebuilding has seen cattle growth from all states. Further growth is expected to be restricted by limitations in processing capacity.⁶

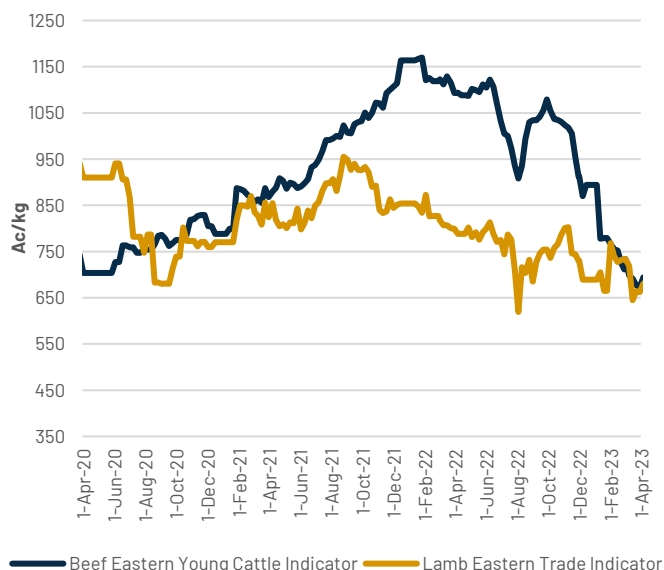
The Australian Eastern States Trade Lamb Indicator ('ESTLI') ended the month with almost no change to prices over the previous month. April ended at \$6.64/kg compared to \$6.62/kg in March. The ESTLI is 17% lower than at the same time last year.

A high supply of Lamb is expected to continue into the start of winter, keeping prices below the 5-year average. Lamb export volumes from January to April were 5% higher than last year, and the largest volume since 2020. The increase is driven by greater demand from China, South Korea and the UAE.⁷

⁶ Rural Bank, 2023. Cattle Insights, 8 May 2023.

⁷ Rural Bank, 2023. Sheep & Lamb Insights 8 May 2023.

AUSTRALIAN LIVESTOCK PRICES



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

Stock	Current Price (per kg)	Price 12 Months Ago (April 2022)	Percentage Change
Beef	\$6.73	\$10.87	(38%)
Lamb	\$6.64	\$8.02	(17%)
Wool	\$13.02	\$13.77	(5%)

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



DP Wheat - Wheel Paddock Yarranlea (April 2023)

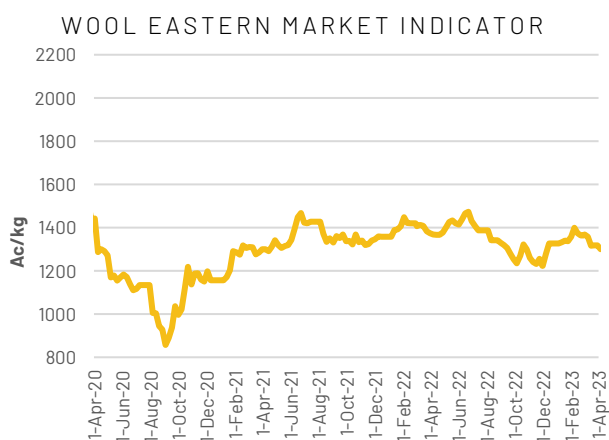


Filling the Seeder (April 2023)

WOOL PRICES

Australian wool prices fell slightly by 1% over the previous month, with the Eastern Market Indicator ('EMI') ending at \$13.02/kg. Wool prices are now 5% down compared to the same time last year.

Merino wool above 19 micron has seen the most growth, and accounts for approximately 30% of the Australian market. In their April 2023 report, the Australian Wool Production Forecasting Committee, estimated that annual shorn wool production will likely increase by five per cent nationally in 2022/23, with national flock numbers estimated to reach 74.9 million.⁸ There are promising signs that consumer demand may also be on the rise. China's Wool Textile Association reported increasing demand for wool due to its natural and biodegradable qualities. The anticipated demand has resulted in all major Chinese processors expanding their processing capacity.⁹



⁸ Rural Bank, Wool Insights, 8 May 2023.

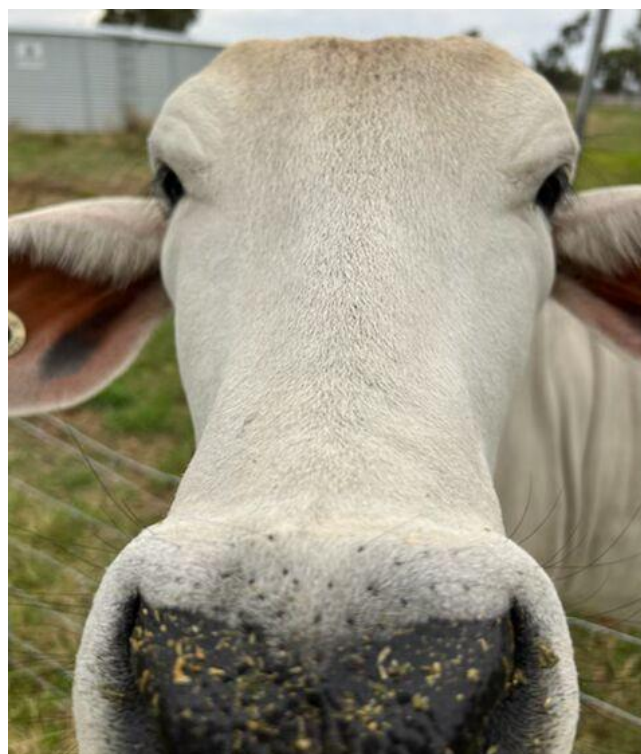
⁹ McGeogh, E. 2023, Wool - Australia Agribusiness Monthly, April 2023.

¹⁰ ABARES, Australian Crop Report, March 2023.

¹¹ AFDI, Farmgate production value for season 23-24 not so easy to predict, May 2023.

NATIONAL CROP PRODUCTION

ABARES national winter crop production estimates for the 2022/23 season remain at a record 67.3m tonnes, 4m tonnes more than the prior year. The increased winter crop forecast is largely attributable to high levels of spring rain. Total summer crop is estimated at approximately 5m tonnes, 10% below last year's record but 57% above the national 10-year average. Some summer crops in Queensland and northern New South Wales, may be negatively impacted by below average summer rainfall.¹⁰ In contrast, Rabobank's overall harvest totals are forecast to be lower than last season, with expectations of drier growing conditions under an El Niño climate cycle.¹¹



Brahman Heifer - Cowaribin



NATIONAL WEATHER

For Australia as a whole, rainfall during April was its highest since 2006, and 35.7% above the 1961-1990 national-area average. In Western Australia, the Northern Territory and South Australia, many stations recorded their highest April rainfall in over 20 years. Above average rainfall was also recorded in parts of Queensland, southern New South Wales, and central and western Victoria. Rainfall in southeastern Australia was driven by a low-pressure system which brought widespread rain and thunderstorms across southeastern Australia early in the month. In the Northwest of the country, tropical cyclone Ilsa brought heavy rain and wind by mid month.

Rainfall was below average in parts of south-eastern Queensland, northern coastal New South Wales, and Western Australia's Central West. With the exception of south-eastern Western Australia, little to no rainfall was recorded across cropping regions toward the end of the month, allowing harvesting of summer crops to continue under clear, dry conditions.

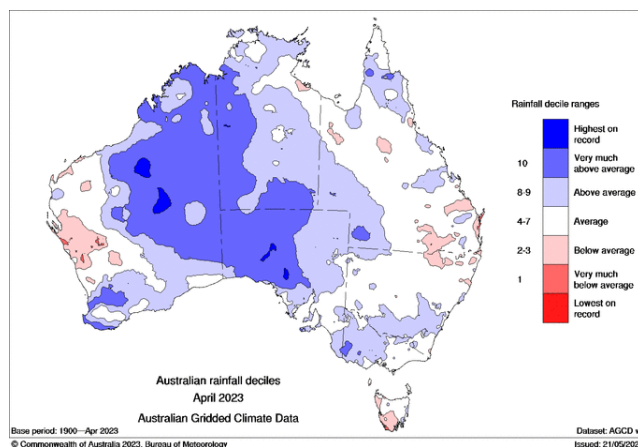
Australia's mean maximum temperature for April was its lowest since 2015 but in line with the 1961-1990 average. The area-average mean temperature was just 0.01 °C above average.¹²

Looking forward, the Pacific Ocean is currently ENSO-neutral and an El Niño Watch has been issued by the Bureau of Meteorology ("BoM"). The BoM is predicting El Niño is likely to occur by winter. In addition, all climate models are indicating a high likelihood of a Positive Indian Dipole forming later this year. Typically, both these weather events are associated with below average rainfall for the eastern half of the Country.¹³

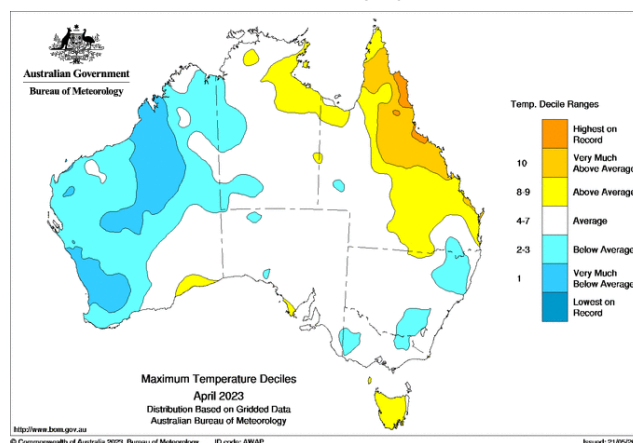
¹² Australian Bureau of Meteorology, Australia in April 2023.

¹³ Bureau of Meteorology, Climate Driver Update, 23 May 2023.

RAINFALL DECILE CHART APRIL 2023



MAXIMUM TEMPERATURE DECILES APRIL 2023



Source: Bureau of Meteorology



Moving Contract Modules – Walgett (April 2023)



GLOBAL MARKET INSIGHTS

WEATHER

International weather conditions for winter wheat crops in the northern hemisphere are progressing under favourable conditions, with the exception of parts of the Ukraine, Spain and the US. In the southern hemisphere sowing has commenced in eastern Australia where conditions are favourable.

For maize, harvest is wrapping up in Brazil under exceptional conditions. In Argentina harvest is ongoing in poor conditions. Significantly reduced yields are expected after prolonged periods of dry heat. Conditions are generally favourable in the northern hemisphere where sowing of maize crops has commenced.

For rice, Conditions are favourable for India's Rabi crop. Harvesting is progressing in Southeast Asia, Indonesia and northern countries, under favourable conditions for both wet and dry season rice.

For soybeans, harvest is wrapping up in Brazil with exceptional yields expected in most regions. In Argentina, harvesting is progressing with low soybean yields. In the US sowing has begun under favourable conditions.¹⁴

PRODUCTION

In its 20 April 2023 update, the International Grains Council (IGC) is forecasting total grains (wheat and coarse grains) production for the 2022/23 season of 2,252m tonnes. An increase of 2m tonnes over last month's estimate. Estimated global consumption of grains was raised by 3m tonnes. Closing stocks are expected to tighten for a sixth consecutive year, to 584m t (-2%).¹⁵

¹⁴ AMIS, *Crop Monitor*, 4 May 2023.

¹⁵ International Grains Council, *Grain Market Report*, 20 April 2023.



Wheat Yarranlea (April 2023)



Sowing the Crop – Kentucky (April 2022)

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