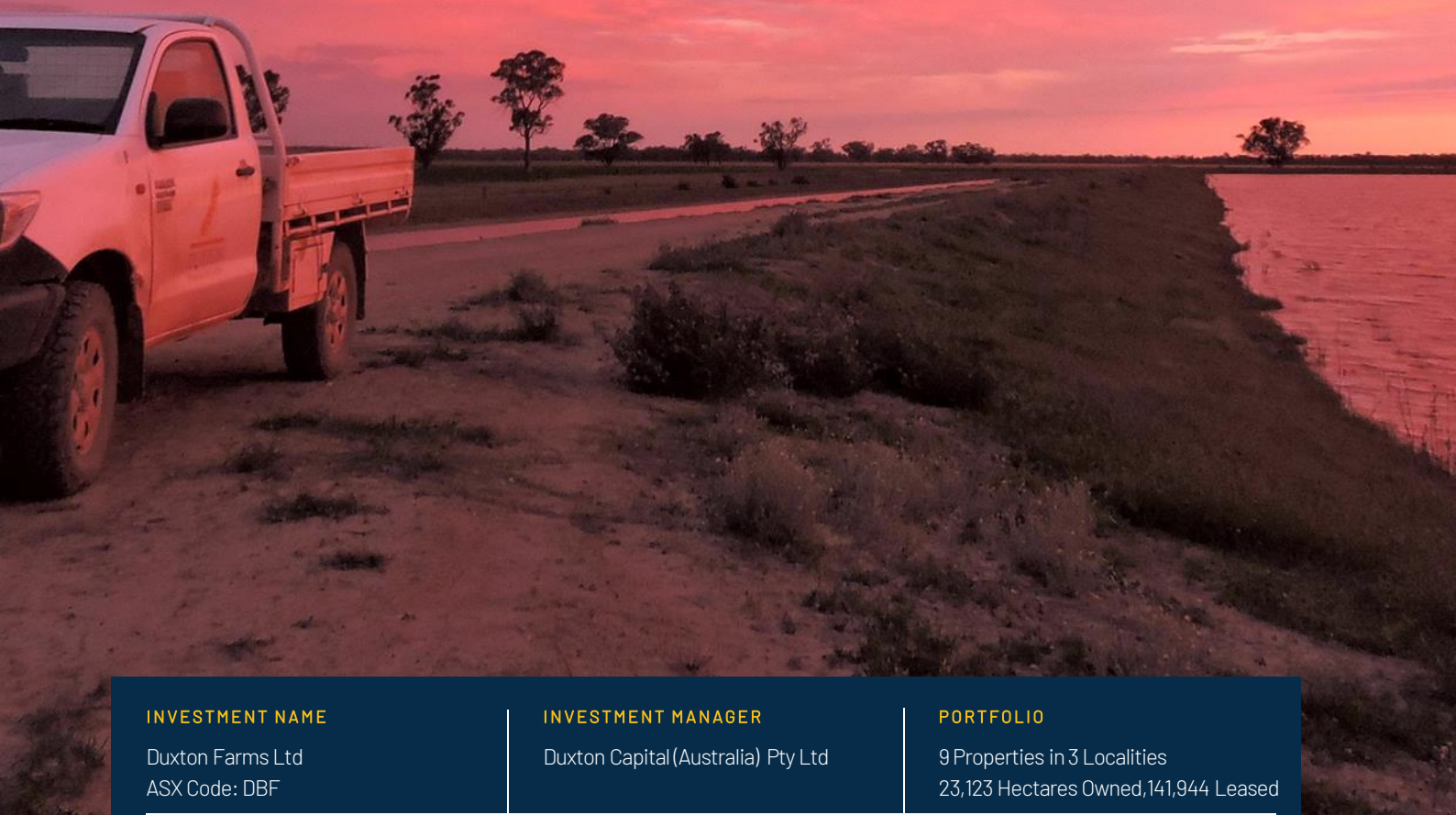


Monthly Update



MAY 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

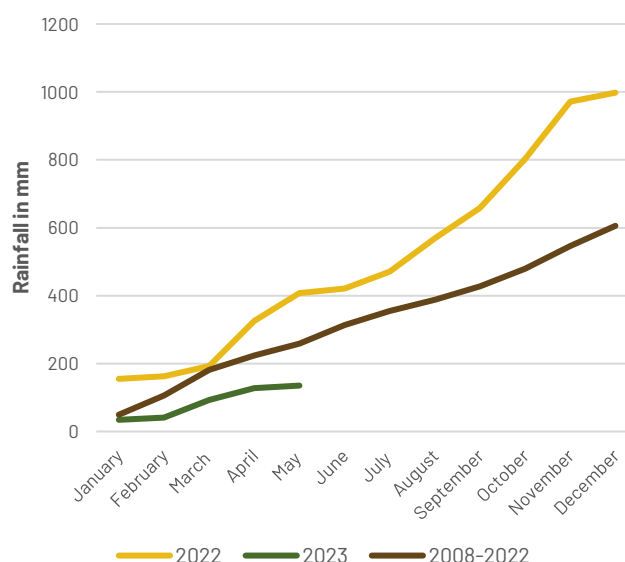


NSW FORBES AGGREGATION

LOCAL WEATHER

The Central West of New South Wales (Forbes Airport AWS) recorded 8.2mm of rainfall in May, well below the historical mean of 33.2mm for the month. Forbes has received 135.6mm of rainfall year to date, 67% lower than at the same time last year and 48% below the 15-year average. Mean maximum temperatures averaged 24°C for the month, which is 19% higher than the long-term average for May of 19.4°C.¹

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



2023/24 CROP UPDATE

Winter crop plantings and land preparations were completed during the month. All necessary fertiliser and chemicals have been purchased and are on farm for application as required throughout the growing period.

For the summer crop, grazing of the forage sorghum is complete and channel spraying around irrigation country was undertaken. Preparation continues for the coming cotton crop.

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



NSW FORBES AGGREGATION (CONT.)

LIVESTOCK

Pasture growth slowed over May due to cooling temperatures. Adequate reserves of fodder continue to be held on farm, and the livestock breeding programme remains well-supported into winter. Livestock sales continued as animals met market specification, with livestock purchases occurring as favourable opportunities arose.

IRRIGATION

The Wyangala Dam was 96% full at the end of May, with the Company's water allocations at 118% after the account was reset earlier in the month.

PIAMBIE

At Piambie, the property redevelopment plan has taken precedence over the planting of a winter crop and the Company is taking the opportunity to commence work on the irrigation system. As such, Duxton Farms will not be planting a winter crop this season at Piambie. The improvements to the site are expected to result in a more efficient and productive property that is better able support the Company's long-term development objectives.

MOUNTAIN VALLEY STATION (LEASED)

CROP UPDATE

Forage sorghum planted for livestock feed in existing fields around the homestead area was cut for hay, with hay-making now complete for the season.

LIVESTOCK

At Mountain Valley, the sale of livestock occurred toward the end of month, following mustering. The PCTI heifers that were delivered during April calved well during May.

CAPITAL EXPENDITURE

The Company purchased a crane truck to be stationed at Mountain Valley for the distribution of lick to the cattle. A single cab Landcruiser has also been purchased and will be transported to the farm with other equipment in June. Additional fencing works are also due to commence in June.



Cattle – West Plains (May 2023)



SHARE BUYBACK

During the month, 20,000 shares were bought back. The total number of shares bought under the buyback is 2,769,774, with the Company able to acquire up to 4,075,308 additional shares.

AUSTRALIAN MARKET INSIGHTS

WHEAT PRICES

Port Kembla APW1 (premium quality) grain prices ended the month at \$378 per tonne at port, 4% less than last month, and 8% less than prices at the same time last year. Port Kembla barley prices finished the month at \$335 per tonne at port, a 4% increase over April and a 13% decrease over the same time last year.²

International wheat prices ended 6% lower than last month, and 48% less than the same time last year, with US CBOT July 2023 wheat futures ending at US \$5.94/bushel. Increasing global production forecasts are continuing to place downward pressure on prices.³ More information on global crop production can be found further in this update.

GRAIN PRICES CHANGES PAST 12 MONTHS*

Crop	Current Price (per tonne)	Price 12 Months Ago (May 2022)	Percentage Change
Port Kembla Zone Wheat (APW1)	\$378/tonne	\$410/tonne	(8%)
CBOT Wheat Futures	US\$5.94 /bushel	US\$11.48 /bushel	(48%)
Cotton	\$723/bale	\$1139/bale	(37%)

*Data from Profarmer Australia, CBOT, ABARES and Cotlook

² Profarmer Australia, 2023.

³ Rural Bank, *Cropping Insights*, 13 June 2023.

⁴ Cotlook 'A' Index, *Market Summary*, May 2023.



Bread Wheat, Kentucky (May 2023)

COTTON PRICES

International cotton prices were volatile over May, with the Cotlook 'A' index reaching just under 98USc/lb mid month, before ending at 94USc/lb. In Australian dollar terms, this translates to prices of \$723/bale, representing a 2% increase over last month, and a 37% decrease compared to the same time last year. The mid-month increase was likely attributable to optimism surrounding a debt ceiling agreement in the US, while the annual decline appears linked to decreasing global consumption outlooks. Cotlook's forecast for the 2022/23 season world stocks increased to 1.98m tonnes, up from 1.67m in April. Declining demand is expected from countries including Bangladesh, Pakistan and India, who remain under particularly challenging economic pressure.⁴





LIVESTOCK PRICES

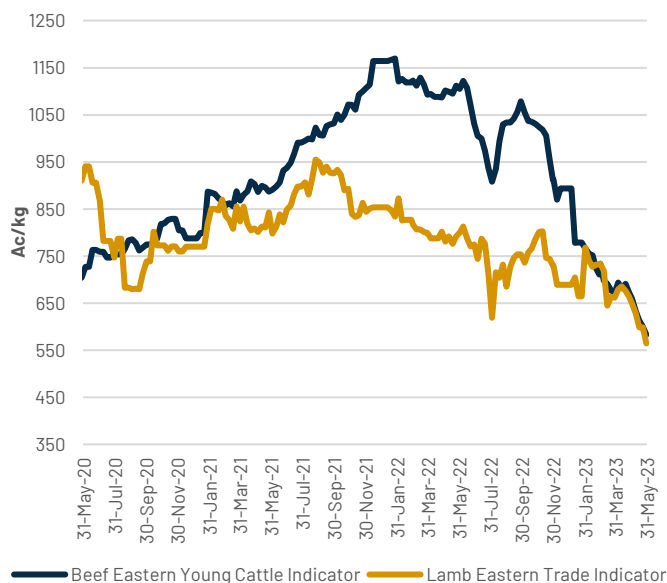
The Australian Eastern Young Cattle Indicator ('EYCI') fell by 13%, compared to the previous month, with prices by the end of May at \$5.83/kg. The EYCI has fallen by 48% compared to the same time last year. The previous two years of herd rebuilding have continued to keep supply up and prices down this year. Cattle slaughter rates increased month-on-month, indicative of a return to normal operations after April's public holidays. The higher slaughter rates boosted Australia's beef exports by approximately 27% more than the previous month, and 14.4% more than the same time last year. Increased demand was driven by the US, China and South Korea, with export rates increasing by 43%, 34% and 27.6% respectively, over last year. During May, the Australia-United Kingdom Free Trade Agreement increased the duty-free quota from 3,761 tonnes to 35,000 tonnes. The agreement is expected to improve demand from the UK over time.⁵

The Australian Eastern States Trade Lamb Indicator ('ESTLI') ended the month with almost no change to prices over the previous month. May ended at \$5.65/kg compared to \$7.92/kg in April. The ESTLI is 29% lower than at the same time last year. Surging supplies have kept prices trending downward. Supply is not expected to continue to rise much beyond current levels, and future price declines are likely to slow. Lamb slaughter rates for May were at their highest since March 2019. The increased supply was largely absorbed by exports, with China's demand increasing 67% over the same time last year. The increase from China helped offset a 26.4% reduction in exports to the US, resulting in overall export growth of 6.8% year-on-year.⁶

⁵ Rural Bank, *Cattle Insights for May*, published 13 June 2023.

⁶ Rural Bank, *Sheep & Lamb Insights for May*, published 13 June 2023.

AUSTRALIAN LIVESTOCK PRICES



DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

Stock	Current Price (per kg)	Price 12 Months Ago (May 2022)	Percentage Change
Beef	\$5.83	\$11.12	(48%)
Lamb	\$5.65	\$7.92	(29%)
Wool	\$12.09	\$14.20	(15%)

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



DP Wheat - Andrew Paddock, Yarranlea (May 2023)



Many lambs at foot – Cowaribin (April 2023)

WOOL PRICES

Australian wool prices fell 7% over the previous month, with the Eastern Market Indicator ('EMI') ending at \$12.09/kg. Wool prices are now 15% less than the same time last year.

During May, the Australian dollar (AUD) strengthened by 1.5% against the US Dollar, placing direct downward pressure on Australian auction prices. Despite the lower EMI, purchasing was reported as strong by the end of the month, with national clearance rates of over 88%. As the end of the season approaches, buyers appear to be realising current value and stocking up on inventory. An increase in apparel purchases in China, USA, Germany, South Korea, Italy and France continue to trend above last year, as well as pre-pandemic levels, a positive indication for future price increases.⁷

WOOL EASTERN MARKET INDICATOR



NATIONAL CROP PRODUCTION

ABARES has revised its national winter crop production estimates for the 2022/23 season from a record 67.3m tonnes to 44.9 million tonnes, a 34% fall. This is approximately 3% below the 10-year average of 46.4 million tonnes. The downgraded forecast is largely attributed to an expectation of below average national rainfall over winter and spring this year.

For summer crops, ABARES estimates are at approximately 5.1m tonnes, 43% above the national 10-year average, and 8% below last year's record production levels.⁸



Hay – Merriment

⁷ Australian Wool Innovation Ltd, Weekly Price Reports, May 2023.

⁸ ABARES, Australian Crop Report, 6 June 2023.



NATIONAL WEATHER

For Australia as a whole, rainfall was 72.8% below the 1961-1990 average for May. Nationally, it was the second-driest May on Australia's record. Western Australia experienced their driest May on record, with statewide rainfall 88.1% below average. The Northern Territory was 91.8% below average, while state-wide rainfall for Queensland and New South Wales was over 70% below average for the month.

Rainfall was above average for small areas of the country including inland south-eastern Queensland, parts of eastern Victoria and western Tasmania.

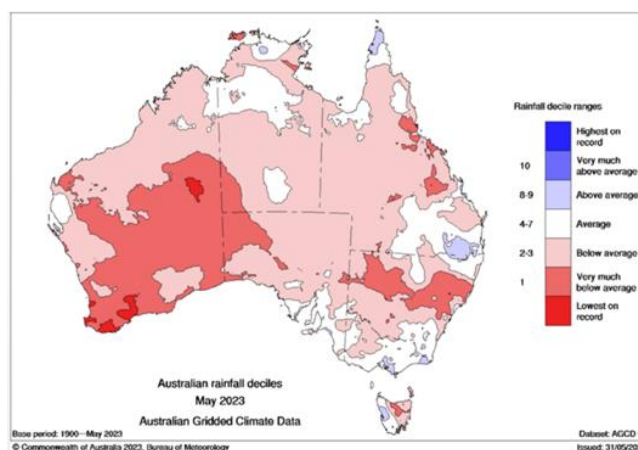
The national mean maximum temperature for May was 0.12 °C below average. Large areas of the Northern Territory and western Queensland experienced mean maximum temperatures in the lowest 10% of historical observations. Temperatures were warmer or very much warmer than average for parts of north-eastern Queensland and most of Western Australia's Gascoyne and south west Land Division.⁹

Major weather events during the month included damaging winds in excess of 100 km/h across Victoria, Tasmania and southern New South Wales. A strong cold front over south-eastern Australia brought snow to some regions and thunderstorms, flash flooding and giant hail to the Hunter coast and Newcastle.

Looking forward, the Bureau of Meteorology ("BoM") has upgraded its forecast to an El Niño "alert", indicating a 70% chance of El Niño forming later this year. El Niño weather events typically suppress rainfall across eastern Australia during winter and spring. The Indian Dipole (IOD) is currently in a neutral phase, with strong indications that positive thresholds may be reached during winter. A positive IOD can exacerbate the drying effects of El Niño.

The BoM has linked several trends in Australia's weather to climate change including an increase in high intensity, short duration rainfall events across northern Australia, and an approximate 15% reduction in rainfall over southern Australia between April to October.¹⁰

RAINFALL DECILES - MAY 2023



Source: Bureau of Meteorology



Canola - Kentucky (May 2023)



GLOBAL MARKET INSIGHTS

WEATHER

International weather conditions for winter wheat crops in the northern hemisphere are progressing under mostly exceptional conditions in Europe. In contrast, conditions are poor in Spain and parts of the US due to prolonged drought. In Canada, conditions are mostly favourable for winter wheat however, some regions commenced spring sowing under drought conditions. China is wrapping up sowing of spring wheat and continues harvesting of winter wheat under favourable conditions. While weather conditions are favourable for the Russian Federation and the Ukraine, the ongoing war continues to hinder access to inputs and fields for the Ukraine. In Australia, sowing of winter wheat in the eastern states is ongoing under mixed conditions due to low soil moisture levels in some regions.

For maize, harvesting is ongoing in the southern hemisphere under mixed conditions, with Argentina continuing to struggle through drought, while South Africa is harvesting under exceptional conditions. Sowing is continuing under favourable conditions in the northern hemisphere.

For Rice, conditions are favourable across the global growing regions. In China sowing of rice continues, while in India harvest of the Rabi crop is wrapping up. In Indonesia, harvesting of wet-season rice and sowing of dry-season rice is progressing well. Harvesting of dry-season rice is almost completed in the northern countries.

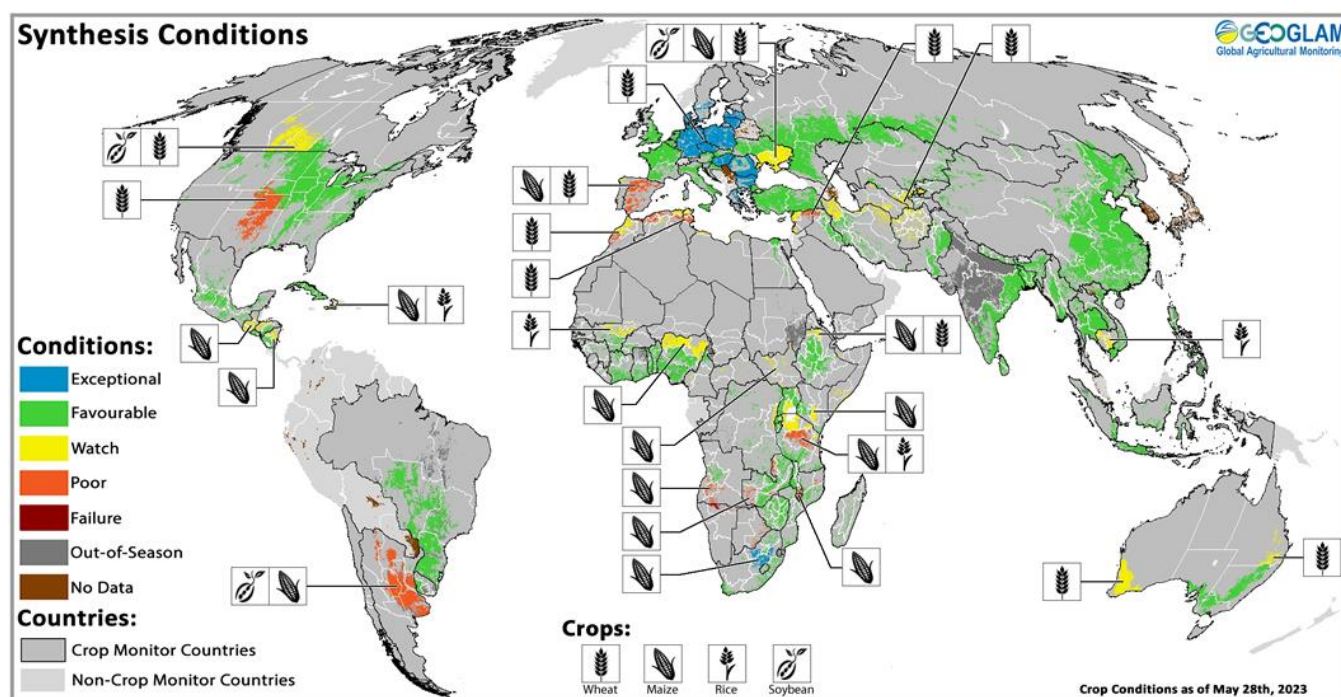
For soybeans, sowing is ongoing under favourable conditions in the northern hemisphere. Argentina's harvest continues with low yields expected across all regions due to a combination of frost, extreme heat and water deficiencies.¹¹

GLOBAL GRAIN PRODUCTION

In its 18 May 2023 update, the International Grains Council (IGC) is forecasting total grains (wheat and coarse grains) production for the 2022/23 season of 2,254m tonnes. An increase of 2m tonnes over last month's estimate, mainly due to an upgraded estimate for Brazilian maize. Global consumption estimates remained unchanged, with closing stock estimates raising by 5m tonne to 589m.¹²

¹¹ AMIS, Crop Monitor, 1 June 2023.

¹² International Grains Council, Grain Market Report, 18 May 2023.



Credit: Agricultural Market Information System, Crop Monitor Overview, released 1 June 2023.



Bread Wheat, Kentucky (May 2023)

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.