



DUXTON  
F A R M S

# Duxton Farms Investment Update



# Duxton Farms Portfolio

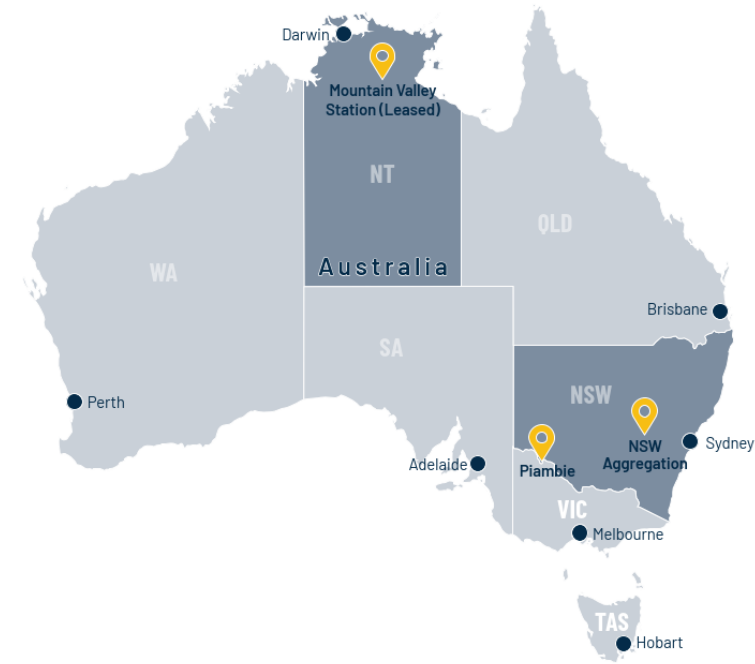
## AUSTRALIA'S ONLY PUBLICLY LISTED MIXED FARMING ENTERPRISE

### The Company

- Duxton Farms Ltd (ASX:DBF) was listed in February 2018 as *Duxton Broadacre Farms Ltd* with the goal of providing investors with exposure to cropping and cereal production specifically.
- Over time, the Company has developed its operations to become an integrated mixed farming enterprise, and it remains the only business of its kind listed on the Australian Stock Exchange.

### The Portfolio

- Duxton Farms capitalises on its thesis by acquiring agricultural properties and developing them into a cohesive aggregation which can operate at scale.
- The Company has a generally long investment horizon but remains highly responsive and adaptable to shifting market conditions, as demonstrated by the sale of its 'Boorala' property in 2021 for \$22m, or a gain of 62% in 18 months on a land value basis.
- Duxton Farms' portfolio of owned and leased assets comprises ten properties spanning 165,590 hectares across New South Wales, Victoria and the Northern Territory.
- Management optimises for productive efficiency and yield on its assets to build a robust portfolio of assets which create value independently of short-term fluctuations in overall price levels.
- The Company has a focus on implementing best-in-class sustainable cropping practices, including crop rotation, laser-levelled irrigation and minimum-till farming.
- The key commodities produced by Duxton Farms have traditionally included:
  - Grains
  - Canola
  - Cotton
  - Livestock
- Duxton Farms has 4,067 hectares of land developed to irrigation, which is supported by 16.8GL of owned and leased surface water and groundwater entitlements.



State	Property	Size (ha)	Irrigable Capacity (ha)
NSW	Walla Wallah	1,400	939
NSW	Cowaribin	940	281
NSW	Merriment	535	367
NSW	Yarranlea	2,184	560
NSW	West Plains	2,709	450
NSW	Lenborough	768	189
NSW	Kentucky	6,438	367
NSW	Timberscombe	8,432	-
VIC	Piambie	1,185	914
NT	Mountain Valley (Leased)	141,000	-
	<b>Total</b>	<b>165,590</b>	<b>4,067</b>



# Piambie Farms

## STRATEGIC DIVERSIFICATION IN NORTHERN VICTORIA

### What is the investment?

Duxton Farms recently exercised its option to purchase the balance of the Piambie Farms land in Natya, Victoria, successfully concluding the second stage of an acquisition process which commenced with the acquisition of the neighbouring 'Glen Innes' property on Friday the 16<sup>th</sup> of December 2022. The 944-hectare acquisition brings the Company's total footprint in the region to 1,185 hectares of contiguous owned landholdings (collectively "Piambie" / "Property"). The acquisition includes over 8,854 ML of Annual Use Limit and all structures and fixtures on the Property.

### Piambie Farms Overview

Piambie Farms is located along the Murray River between Swan Hill and Boundary Bend in northern Victoria. The region is known as one of the most productive agricultural regions in Australia and is famous for its horticultural and viticultural industries. The region is characterised by a semi-arid Mediterranean climate with hot, dry summers, cold winters and fairly low rainfall, averaging around 315mm per year. Piambie features deep clay silt lakebed soils that are suitable for the cultivation of a number of summer and winter crops and is in excellent physical condition given recent seasonal developments in the area. Of the Property's landmass, 914 hectares, 77 percent of its total area, has been developed to irrigation, which will increase the Company's irrigable capacity by nearly one third.

### What is Duxton Farms' strategy for Piambie?

Duxton Farms has faced abnormally difficult operating conditions since listing. The Operations Team have persisted through drought from FY2018 to FY2020 and exceptionally disruptive flooding in FY2022 and FY2023, restricting the Company's ability to generate consistent operating earnings. From the Board's perspective, these developments highlighted the need to expand and broaden the Company's exposure to the Australian agricultural sector through strategic diversification through investment in geographies and production systems. The broadacre cropping aggregation around Forbes will remain the core holding of the portfolio, and the lease at Mountain Valley Station another key strategic pillar; over the medium-term, the Board will look to gradually shift the composition of the portfolio to reduce operational risk.

With the settlement of Piambie, the Board of Duxton Farms is excited to announce that it will become the seed investor in a new venture to build one of Australia's largest pistachio enterprises, starting with 130 hectares of greenfield plantings at Piambie, which commenced last week. The Company will leverage the significant knowledge and expertise of the Investment Manager and the services of one of the country's most experienced horticultural operators in Derek Goulet (formerly General Manager of Horticulture at Webster Limited) to develop the project, which will occur within a wholly-owned subsidiary of Duxton Farms called *Duxton Pistachios Pty Ltd* ("Duxton Pistachios").

This structure creates the opportunity for the Investment Manager to raise capital directly into Duxton Pistachios, which would expose Duxton Farms to new equity capital without diluting the Company's existing shareholders. The balance of the land not used in the pistachio development itself may then be cropped by the Company to grow irrigated cotton, grains and oilseeds.

### Why Pistachios?

Pistachios trees are hardy drought-resistant plants that grow well in hot, dry conditions and in deep sandy soils with a high tolerance to both alkaline and saline conditions. Relative to almonds, walnuts, pecans or macadamias, pistachios have a long period before their first commercial yield, but once mature not only generate significantly higher revenue per hectare, but also have the longest useful life of the comparable tree nuts highlighted (up to 90 years) making for an exceptionally attractive long-term economic profile.

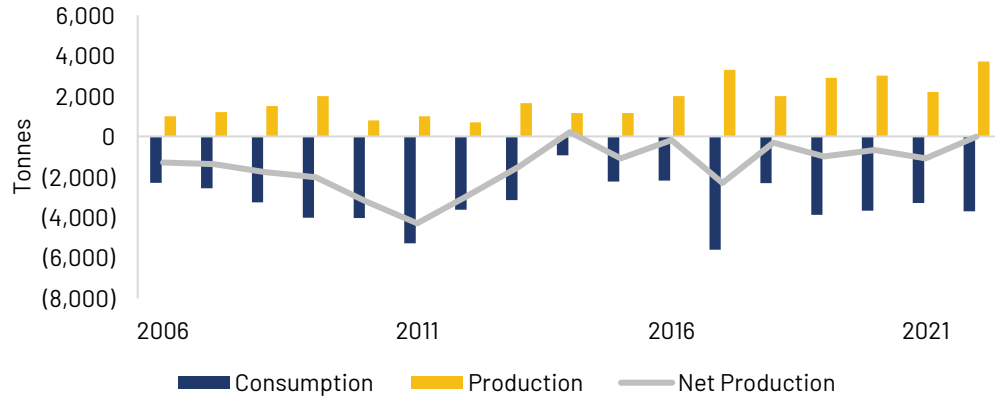
The supply side of the market in Australia does not currently meet domestic consumption, which has experienced steady growth since the year 2000 due to increasing nutrition and health consciousness and increasing demand for alternate dairy and protein products. With only ~2,200 hectares planted and around 40 growers in total, the Board believes that there is significant scope for development within the local pistachio industry to turn Australia into a major Southern Hemisphere producer. This will be particularly relevant as other major global producers are facing increasing environmental stress in key growing areas (i.e., the Kerman region of Iran and the San Joaquin Valley in California).



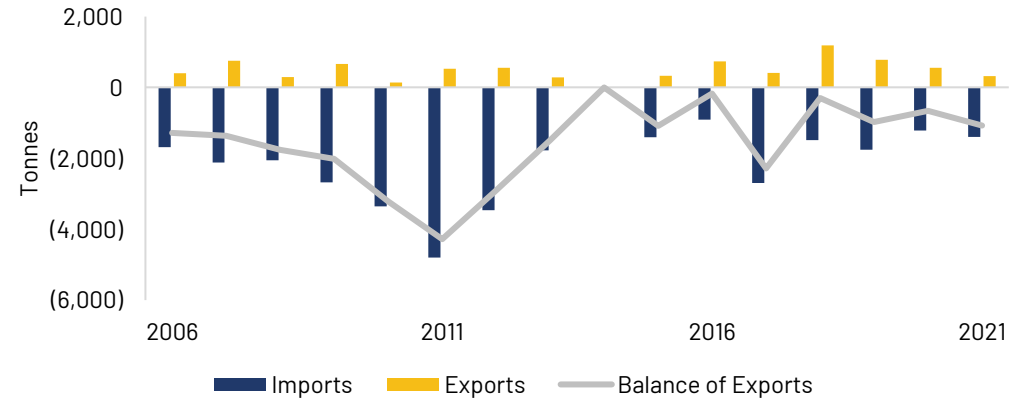
# Domestic Pistachio Market Dynamics

A COMPELLING OPPORTUNITY ON A GLOBAL SCALE

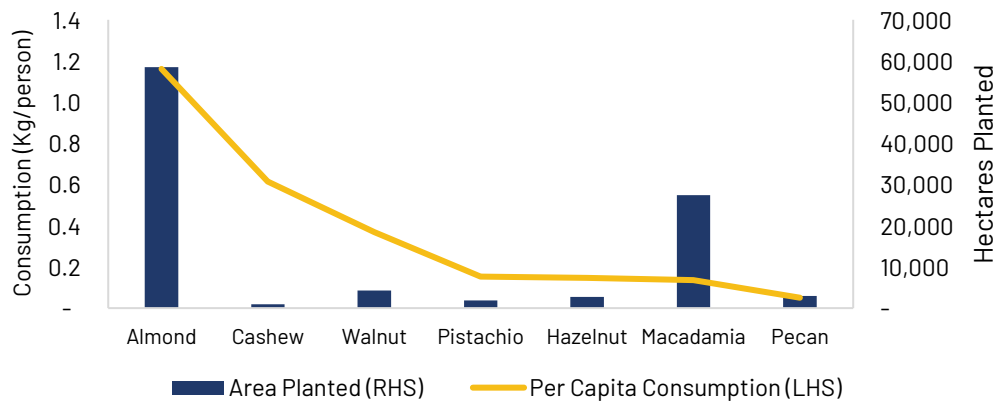
**Australian Pistachio Net Production<sup>1</sup>**



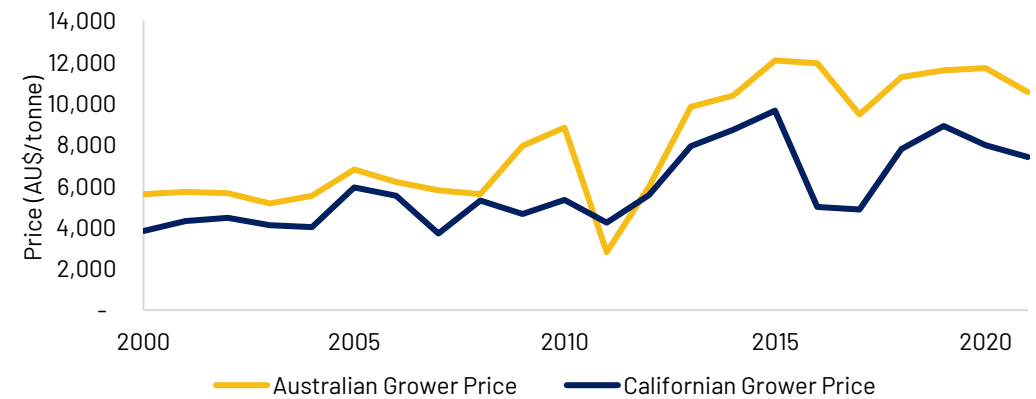
**Australian Pistachio Balance of Exports<sup>1</sup>**



**Australian Tree Nut Consumption and Hectares Planted<sup>1</sup>**



**Pistachio Grower Prices, Australia and USA<sup>2</sup>**



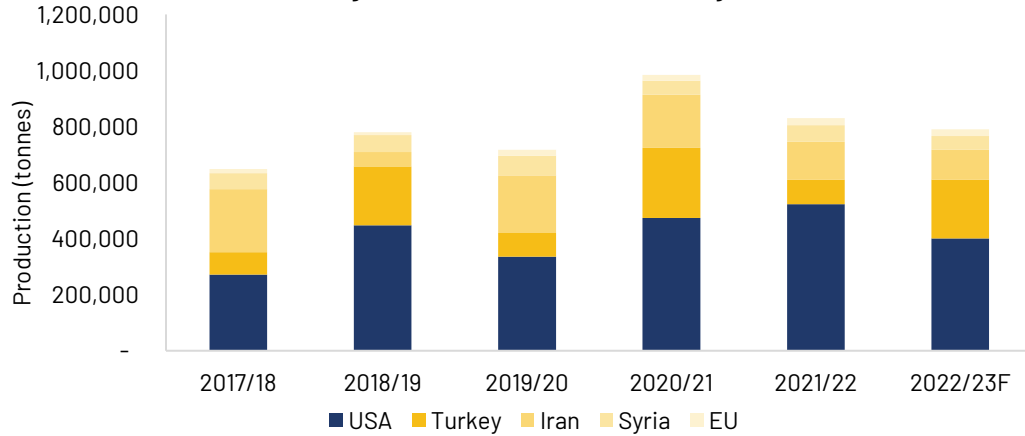
Sources:  
 1. International Nut & Dried Fruit Council, 2023  
 2. Pistachio Growers' Association Incorporated, 2022



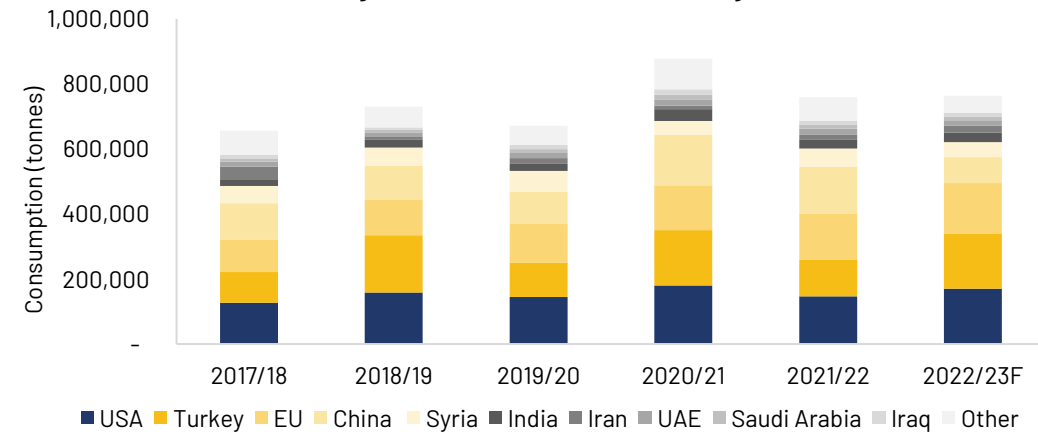
# Global Pistachio Market Dynamics

A COMPELLING OPPORTUNITY ON A GLOBAL SCALE

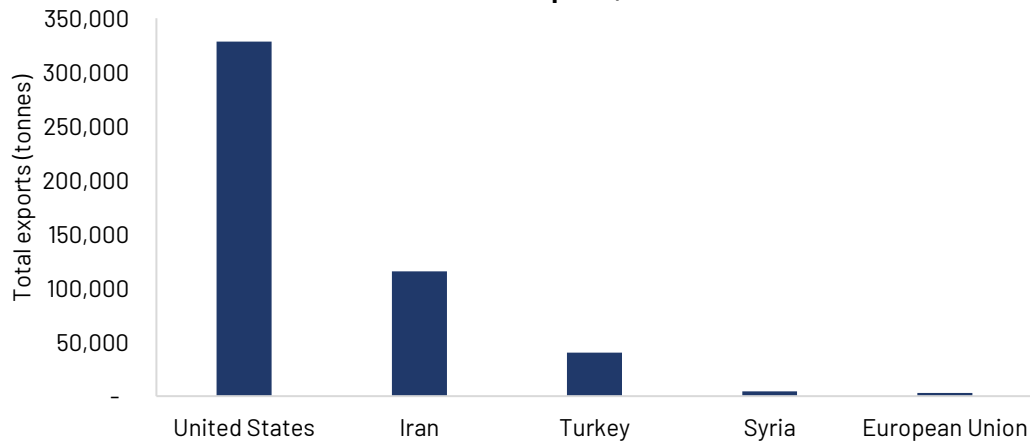
Major Pistachio Producers Globally<sup>3</sup>



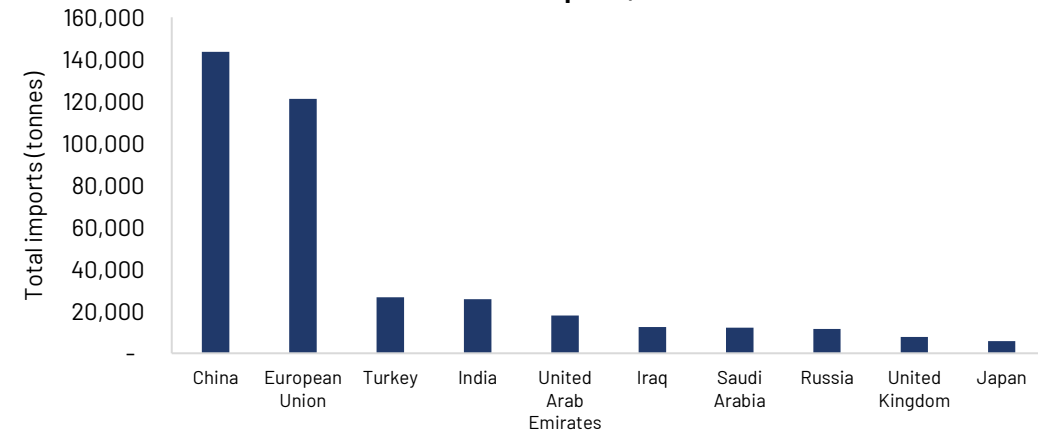
Major Pistachio Consumers Globally<sup>3</sup>



Global Pistachio Exports, 2021/22<sup>3</sup>

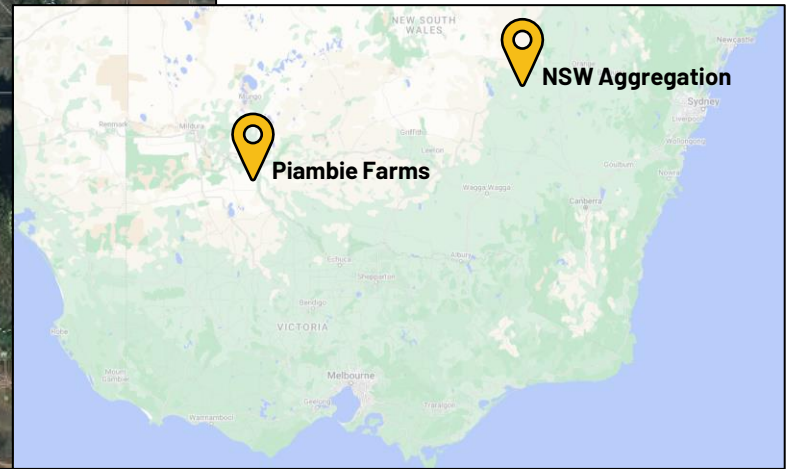
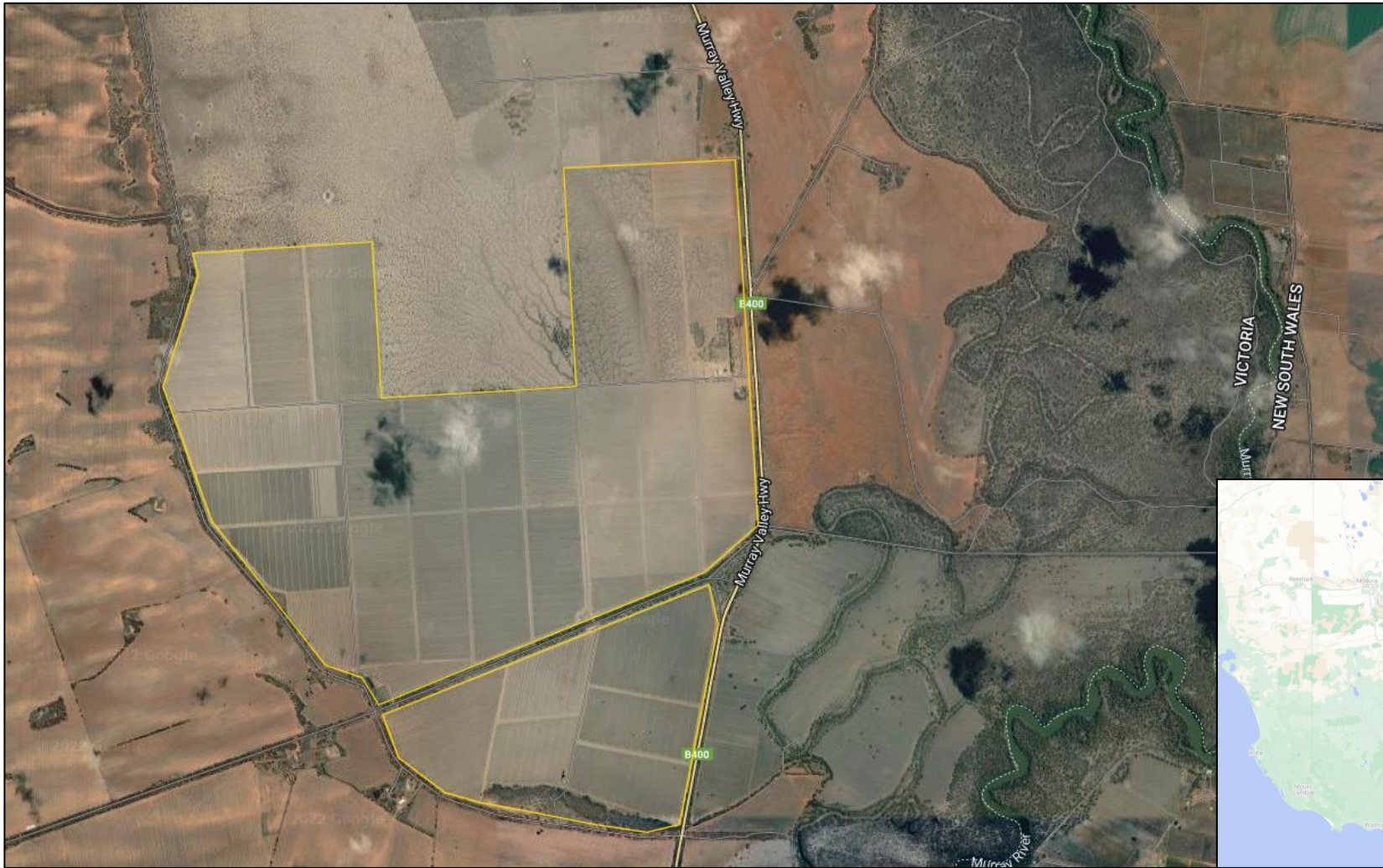


Global Pistachio Imports, 2021/22<sup>3</sup>



# Piambie Farms Location

1,185 HECTARES OF EFFICIENT, HIGH MARGIN CROPPING.





**DUXTON**  
CAPITAL AUSTRALIA

**Duxton Capital (Australia) Pty Ltd**

7 Pomona Road, Stirling SA 5152

+61 8 8130 9500  
enquiries@duxtonam.com

**Sam Venning (Business Development)**

sam.venning@duxtonam.com

**Caspar Peter (Associate)**

caspar.peter@duxtonam.com

duxtonam.com

