

COMPANY SNAPSHOT

COMPANY NAME

Duxton Broadacre Farms Limited

INVESTMENT MANAGER

Duxton Capital (Australia)

PORTFOLIO

1 Aggregation of 8 Properties

LOCATIONS

Forbes and West Wyalong, NSW

HECTARES

22,882 owned

WATER ENTITLEMENTS (ML)

10,035 owned
6,798 leased

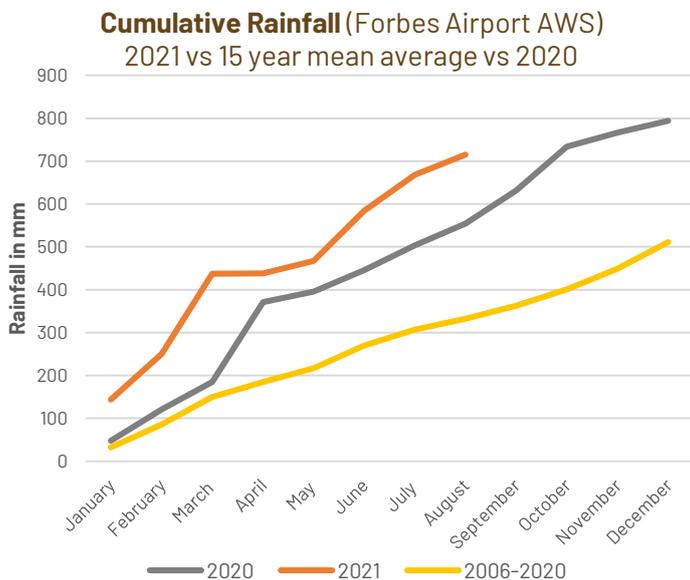


Duxton Broadacre Farms Limited (DBF/Company) presents investors with a unique opportunity to participate directly in the Australian broadacre cropping industry and the possibility to provide shareholders with both ongoing annual operational yield and longer-term capital growth. DBF intends to achieve 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.

OPERATIONAL UPDATE

LOCAL WEATHER

August saw above average rainfall across central-west New South Wales (NSW) with 47.2mm recorded compared to the August-long term average of 34.0mm. Year to date rainfall in 2021 is over double the previous 15-year average and 29% higher than at the same time last year. The mean temperature for August was 16.8°C, 0.3°C warmer than the long-term average of 16.5°C.



WINTER CROPS

Most of the winter crops continue to perform well, with good levels of sunlight over the month assisting their development. All required fertiliser and chemical supplies are secure and held on farm. Some areas of crop are still impacted by water logging from previous above average rainfall, so looking forward dry weather will be beneficial, while further rainfall may be detrimental. In particular, areas of chickpea crop at Yarranlea sown just before the heavy rainfall have been affected by water inundation which will be assessed once the paddocks dry out. DBF continues to monitor for mice populations which may rise as temperatures begin to increase. No damage has been observed, however additional bait remains on hand should it be required.

SUMMER CROPS

Ginning of cotton was completed over August with overall yields of 10.5 bales per hectare in line with expectations. Above average rainfall has resulted in excess runoff which has been diverted into on farm storages which are currently full. Field preparations for next year's cotton crop were stopped by the above average rainfall and will continue once conditions allow.

LIVESTOCK

Pasture across DBF's aggregation continues to grow well, assisted by the above average rainfall. Calving continued with no issues, with lamb marking progressing well following some delays from wet weather with lambing rates at 140% across most of the flock. Lambing rates are a measure of the number of lambs produced per each mated ewe within a flock. Large numbers of cattle and sheep remain at the recently acquired West Plains and Lenborough properties to take advantage of the available feed. Sale of livestock is ongoing as market opportunities allow with good to exceptional pricing. Additional livestock will be purchased if attractive pricing opportunities arise.

IRRIGATION

With increased rainfall, DBF's Lachlan River water allocation remains almost full at 99% which is expected to secure irrigated production for the next 3 years. As a result of the rainfall, Lachlan River's Wyangala dam is currently having its airspace managed through releasing water from the dam in accordance with the Lachlan River Water Sharing Plan - Translucent Environmental Flows. Airspace is the difference between the actual volume of water in storage, and the volume of the dam when full. The March rainfall event stopped the drilling of test bores at Yarranlea and Timberscombe, however work is expected to recommence in summer once drier field conditions allow. The application lodged with State Water for an additional production bore at Walla Wallah has been accepted and DBF is still awaiting completion of the final documentation.

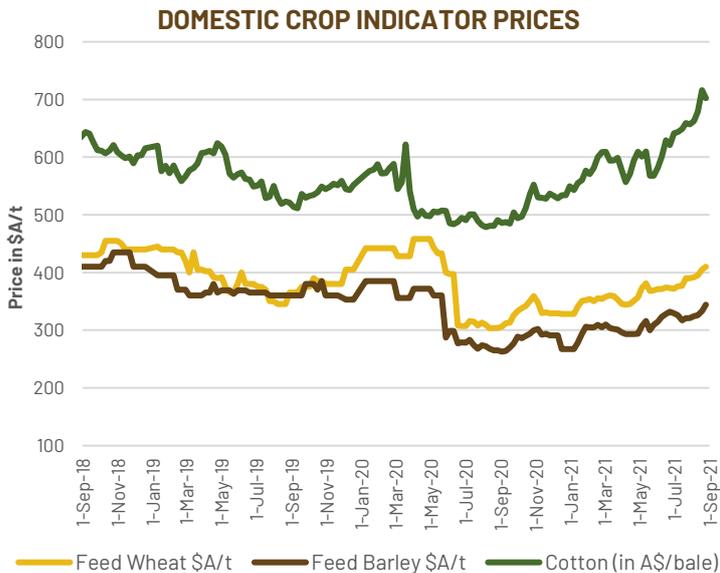
SHARE BUYBACK

During the month 37,500 shares were bought back. The total number of shares bought under the buyback is 884,154 with the Company being able to acquire up to 4,148,197 additional shares.

AUSTRALIAN MARKET INSIGHTS

CROP PRICES

During August, Australian wheat prices rose by 5%, ending the month at \$410/t. Australian barley prices also rose, increasing by 7% over the month, finishing at \$344/t. In recent drought affected years, Australian grain prices have been largely dictated by domestic demand. Presently however, with increased production and an exportable surplus, international markets are now the primary driver of Australian grain prices.¹ Price increases over the month are largely attributed to downgraded production estimates in a number of key export markets, in particular Russia which had its USDA production forecast cut by over 10% month on month to 72.5 million tonnes.² Looking forward, on the back of strong global prices and continued demand for Australian wheat, particularly from Southeast Asia, Rabobank expect Australian wheat prices to remain supported in the near term, however in some cropping areas waterlogging and disease pressure may be of some concern.³



COTTON PRICES

International cotton prices rallied over August, ending the month 5 USc/lb higher at 102 USc/lb. In Australian dollars, cotton prices of \$702/bale are 7% higher month-on-month and 43% higher compared to the same time last year. Price rises over the month were largely driven by tightening supply available for nearby shipment, and the USDA lowering its domestic crop estimate. Whilst overall trade was constrained during August, this was not due to lack of demand but due to the continued disruptions to the freight industry from a shortage of containers, alongside most cotton producers having already largely sold out of their positions. Cotlook's estimate of global production for the 2021/22 season is currently placed at slightly under 25.8 million tonnes, representing an increase of approximately 7% from 2020/21.⁴

DOMESTIC GRAIN PRICE CHANGES PAST 12 MONTHS*

CROP	CURRENT PRICE (per tonne)	PRICE 12 MONTHS AGO (August 2020)	PERCENTAGE CHANGE
Feed Wheat	\$410	\$304	35%
Feed Barley	\$344	\$265	30%
Cotton	\$702/bale	\$491/bale	43%

*Data from ABARES weekly commodity reports and Cotlook

CROP PRODUCTION

The latest ABARES Australian crop report estimates for the 2021/22 winter crop are well above average. Total area planted to winter crops is expected to reach a record of 23.2 million hectares, with overall yields forecast at 54.8 million tonnes, a 2% fall on last year but still 32% above the 10-year average to 2020/21.⁵ It should be noted that compared to ABARES' previous estimate for the 2021/22 winter crop released in June, yield forecasts have risen by 17%, primarily attributed to exceptional growing conditions over June and July with favourable soil moisture levels and average or above average rainfall in most cropping regions nationally.

For the major winter crops, wheat production is forecast at 32.6 million tonnes, a 2% fall compared to last year. Production of barley is expected to fall by 5% to 12.5 million tonnes, while canola production is expected to increase by 11% to a record high of over 5 million tonnes on the back of a 24% increase in total planted area. New South Wales yields are expected to be the second highest on record and 55% above the 10-year average, while area planted is expected to increase at just over 6.1 million hectares, a marginal increase on last year but still 15% above the 10-year average. High mouse populations in some regions may result in localised crop losses, with southern Queensland and northern and central New South Wales the most affected regions. Overall however, mouse populations are not expected to lower national production significantly with the impacts mostly expected to be limited to increased costs of production for affected producers. Summer crop production for 2021/22 is forecast to increase by 33% to 4.4 million tonnes compared to the previous year, largely attributed to a 24% increase in total planted area to 1.3 million hectares.

¹Ruralbank, 2021. Cropping Insights August 2021.

²Voznesenski, D. 2021, Rabobank Australia Agribusiness Monthly September 2021 – Grains & Oilseeds, Rabobank.

³Voznesenski, D. 2021, Rabobank Australia Agribusiness Monthly September 2021 – Grains & Oilseeds, Rabobank.

⁴Cotlook, 2021. August 2021 Market Summary.

⁵ABARES, 2021. Australian crop report: September 2021, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra.

WOOL PRICES

Wool prices fell by 5% over August, closing the month at \$13.50/kg. Australian markets re-commenced during August after a three-week recess, with price declines attributed to poor demand from China compared to before the recess. Reduced Chinese demand is attributed to reported increases with the delta variant of COVID-19, however supply chain issues may also be a significant hurdle.⁶ Despite the fall, wool prices remain 45% higher than at the same time last year. Looking forward, Rabobank expect that a positive global economic outlook and post-pandemic spending to support wool prices over the next year however also note that the spread of the COVID-19 delta variant in the US and China alongside container shortages as an area to watch.⁷

Wool Eastern Market Indicator



NATIONAL WEATHER

August recorded below average rainfall for Australia and overall was 39% below historical means. All states and territories recorded below average rainfall except for Tasmania, where average area rainfall of 147.8mm was equal to historical averages. New South Wales average area rainfall of 26.4mm was 33% lower than historical means, while Queensland rainfall of 10.0mm was 28% below historical means. Most areas of the Australian mainland south of the tropics had below average rainfall. Rainfall deficits were fairly consistent across the country, with only some scattered areas in Western Australia and outback South Australia having rainfall in the very much below average (lowest 10% of all years) range. The main areas that recorded above average rainfall were the northern Queensland tropics and south-eastern coastal areas in New South Wales starting from Sydney moving south through to Sale in eastern coastal Victoria. National mean temperatures for August were 1.38°C warmer than the 1961-1990 average for Australia as a whole, making it the sixth-warmest August on record. It was the second warmest August on record for Queensland and ranked in the top ten warmest for New South Wales, Victoria and Tasmania. Mean maximum temperatures were above average over almost the entire continent and were at least 1°C above average across most mainland areas away from the southern coastline. In some areas of southern inland Queensland, mean maximum temperatures reached more than 3°C above average.⁸

The BoM's latest climate outlook reports that a negative Indian Ocean Dipole (IOD) is now underway and expected to continue for the spring months. A return to neutral IOD conditions is expected in December, typical of the IOD seasonal cycle. A negative IOD typically increases the chance of above average winter-spring rainfall for much of southern and eastern Australia. El Niño-Southern Oscillation (ENSO) remains neutral with models indicating cooling of the central tropical Pacific likely. Only one of the seven climate models surveyed by the Bureau indicate this cooling will be sufficient trigger a return to La Niña thresholds during spring or early summer. Overall, the BoM is reporting that spring (September to November) rainfall is likely to be above median for the eastern two thirds of Australia, however parts of Western Australia and south-west Tasmania are likely to see below median rainfall. Australia's temperature and rainfall variability are also influenced by climate change caused by human activities. Australia's climate has warmed by 1.44°C for the 1910 - 2019 period, with southern Australia seeing a reduction of 10-20% in cool season rainfall in recent decades.⁹

⁶ Australian Wool Innovation Limited, 2021. *Week 6 - August 2021 Weekly Price Report*, Wool.com.

⁷ Voznesenski, D, 2021. *RaboResearch Australia Agribusiness Monthly - Wool September 2021*, Rabobank.

⁸ Bureau of Meteorology, 2021. *Australia in August 2021*, Australian Government.

⁹ Bureau of Meteorology, 2021. *Climate Driver Update 26 August 2021*, Australian Government.



LIVESTOCK PRICES

During August, the Australian Eastern Young Cattle Indicator (EYCI) continued its rise, ending the month at \$10.23/kg, increasing by 3% over the month and up approximately 30% compared to the same time last year. Records keep getting broken for Australian cattle prices, with the EYCI setting new records multiple times over August. Price increases are largely attributed to improved rainfall outlooks across many key cattle supply regions, driving producers to increase their young cattle holdings to support the expected increase in paddock growth.¹⁰ Looking forward, prices are expected to remain supported by the ongoing low cattle numbers and positive weather outlook. That said, there are some signs of an increase in slaughter numbers indicating that more supply may be entering the market which may place some downward pressure on prices.¹¹

DOMESTIC LIVESTOCK PRICE CHANGES PAST 12 MONTHS*

STOCK	CURRENT PRICE (per kg)	PRICE 12 MONTHS AGO (August 2020)	PERCENTAGE CHANGE
Beef	\$10.23	\$7.84	30%
Lamb	\$9.55	\$6.83	40%
Wool	\$13.50	\$9.29	45%

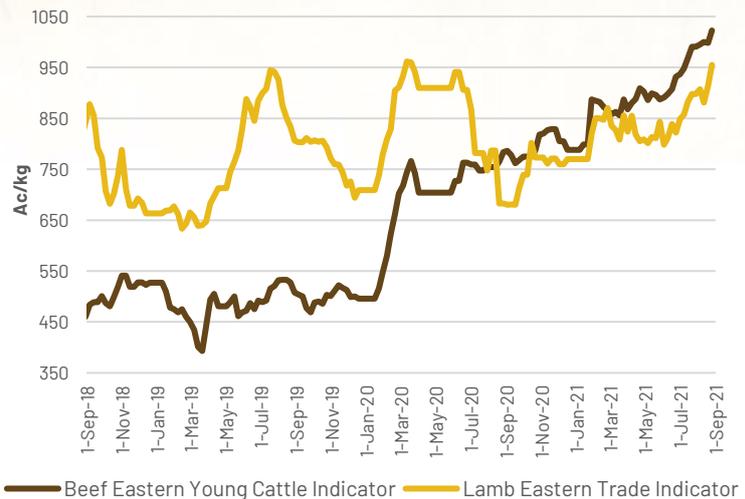
* Data from ABARES weekly commodity reports and Australian Wool Innovation Ltd

¹⁰ Goodwin, S, 2021. EYCI hits 1008c/kg to set yet another new record, Farm Online.

¹¹ Gidley-Baird, A, 2021. RaboResearch Australia Agribusiness Monthly - Beef September 2021, Rabobank.

¹² Gidley-Baird, A, 2021. RaboResearch Australia Agribusiness Monthly - Sheepmeat September 2021, Rabobank.

Australian Livestock Prices



During August, the Australian Eastern States Trade Lamb Indicator (ESTLI) also saw gains, with prices ending the month at \$9.55/kg, up 6% on the prior month. Lamb prices have continued their rise, against the usual seasonal decline as increased supply which historically reaches the market during spring is yet to arrive. Looking forward, Rabobank still expect prices to soften and take their normal seasonal downturn, however with strong demand from the US the price contraction may not be as significant.¹²



DUXTON
BROADACRE FARMS

Fair market value NAV per share \$2.14 (30 June 2021)

Statutory NAV per share: \$2.03 (30 June 2021)

Market Cap (31 August 2021) \$65,199,771 (43,466,514 shares on issue at \$1.50 per share (closing price))

Monthly Update
31 August 2021

GLOBAL MARKET INSIGHTS

WEATHER

International weather conditions as at the end of August are mixed, with a number of production areas of concern. Wheat in particular is facing challenging conditions with Russia's winter crop harvest finishing with below average yields due to damage from cold weather. There are also concerns for Russia's spring planted crop due to hotter and drier than average conditions. In the US and Canada, yields for winter-planted wheat are also below average with the spring-planted harvest underway with below average yields expected due to excessive heat and dryness. In the EU, wheat conditions are favourable to excellent, with winter wheat yields above average due to wetter than normal conditions throughout the season. Maize conditions are mostly positive, however some areas of the US in the Dakotas and Minnesota are facing dry conditions. In China, conditions are almost entirely favourable except for the northwest where dryness persists. In Brazil, low rainfall and periods of frost are expected to result in below average yields for the larger season, summer planted crop. Rice conditions globally are almost entirely favourable with China's both single and late season crops progressing well. In India, kharif season crops are developing under positive conditions despite above average temperatures. Global soybean conditions are mixed, with the US crop progressing well but for dry conditions in the Dakotas and Minnesota. In China, conditions are generally favourable except in southern regions where below average rainfall may impact crop development.¹³

PRODUCTION

Forecasts for the 2021/22 grain season are currently placed at 2,283 million tonnes, falling by 12 million tonnes over the month. Reduced production estimates month on month are primarily attributed to downgraded forecasts from Russia, the US and Canada. Despite the fall, if realised this still represents a 3% increase year on year, and a successive all-time production record. Production increases year on year are mostly attributed to a sharp 75 million tonne increase in total maize production, with an 8 million tonne increase in total wheat production also expected. World total grain stocks are expected to contract for a fifth consecutive year to a seven-season low of 589 million tonnes, with falling wheat and barley stocks only partly offset by increasing global maize and rye inventories.¹⁴

GRAIN PRICES

Over August, on the back of solid increases in wheat and barley prices, the IGC Global grain and oilseed index rose by 2% and is currently 38% higher year on year. Mounting concerns over deteriorating crop prospects in key export locations resulted in the wheat sub-index rallying by 8% over the month, and the barley sub-index by 9%. The maize sub-index fell by 1% over the month, linked mostly to falling US prices resulting from positive crop results. With mixed trends across the leading producers, the rice-sub index was largely unchanged over the month, while the soybeans sub-index fell by 1% as a result of improving crop outlooks from the US Midwest.¹⁵

¹³ Agricultural Market Information System, 2021. *Market Monitor September 2021*, AMIS.

¹⁴ International Grains Council, 2021. *August 2021 Grain Market Report*, IGC.

¹⁵ International Grains Council, 2021. *August 2021 Grain Market Report*, IGC.

Wheat at Kentucky (August 2021)

This factsheet 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 Broadacre Farms Limited [ACN 129 249 243] ("Duxton Broadacre Farms"). This factsheet 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 Broadacre Farms. Information from this factsheet 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 stocks are mentioned, it should not be construed that these are recommendations to buy or sell those stocks. You are not authorized to redistribute this document nor qualified to make any offer, representation or contract on behalf of Duxton Capital (Australia) or its affiliates. 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 factsheet or its contents, including for negligence.

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