ANDERSON REPORTS

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FARMLAND PARTNERS INC.
FPI/NYSE

December 10, 2020

Price: $8.59 | Target Price: $11.58

- Analyst Recommendation: **BUY**
- A small-cap farmland real estate investment trust (REIT) with a unique position as the geographically largest public farmland REIT in the nation
- Management is buying back stock by selling land as FPI still recovers from a 2018 short attack that lowered the share price
- 90% of FPI's taxable income must be paid to owners as dividends

Valuation	2020E	2021E	2022E
NOI/PS	1.41	1.47	1.37
FFO/PS	0.49	0.54	0.46

Market Capitalization		Stock Price	
Equity Market Cap (MM):	245.67	52-Week Range:	$5.05-$8.60
Enterprise Value (MM):	886.89	12-Month Stock Performance:	3.49%
Shares Outstanding (MM):	29.09	Dividend Yield:	2.39%
Estimated Float (MM):	24.75	Book Value Per Share:	9.57
3-Mo. Avg. Daily Volume:	171.34	Beta:	0.70
Short Ratio:	13.81	EV/EBITDA	23.80

Company Quick View:

Farmland Partners Inc. (FPI/NYSE) is an equity real estate investment trust (REIT) founded in September 2013 and headquartered in Denver, Colorado. It owns and leases farmland, ranches, farming-related properties, and finances tenant and third-party farmers' capital and operating expenses. As of November 2020, their current portfolio consists of nearly 100 tenants across 16 states farming ~155,000 acres consisting of 26 major commercial crops with a predictable revenue stream of land leases and percentage-rent leases. It first publicly offered stock in April 2014.

INVESTMENT SUMMARY / THESIS

Our analyst team gives FPI a "Buy" rating. Our projections consider the Company's strategic goals, inherent risks to the agricultural industry, the state of the economy, and potential risks specific to FPI. The Company's current priority is shareholder return by buying back its undervalued stock. FPI finances these buybacks by selling farmland and free cash flow from operations. We agree with management's claims that countering on-going litigations can repair reputational damage and bring positive Wall Street attention to FPI's undervalued stock, benefitting shareholders. Then, FPI can return to slow and steady growth taking advantage of increasing global food demand and decreasing arable land.

Farmland Partners is strategically using cash from selling land, their main income-producing asset, to buy back shares to raise the stock price closer to their Net Asset Value (NAV), which we calculate to be near our target price.

On March 15, 2017, the Board of Directors approved the repurchase program to buy back up to $25 million in shares of its common stock. Repurchases under this program may be made at any time with the Board of Director's approval. Repurchases may be made in the open market or privately negotiated transactions according to Rule 10b-18 under the Exchange Act.

Figure 1: Five-Year Stock Price Performance of FPI

Price per share and volume of shares trading

Source: Farmland Partners Stock Information; November 14, 2020

ABOUT FARMLAND

FPI provides high-quality farmland to farmers who meet food demand across the United States and globally. FPI is the largest geographical public farmland REIT in the nation. The Company differentiates itself by offering a loan program to third-party farmers (both tenant and non-tenant) for working capital requirements, operational farming activities, farming infrastructure projects, and other farming and agricultural real estate-related purposes. The Company acquires additional properties related to agriculture, such as grain storage facilities, grain elevators, feedlots, processing plants, distribution centers, livestock farms, and ranches.

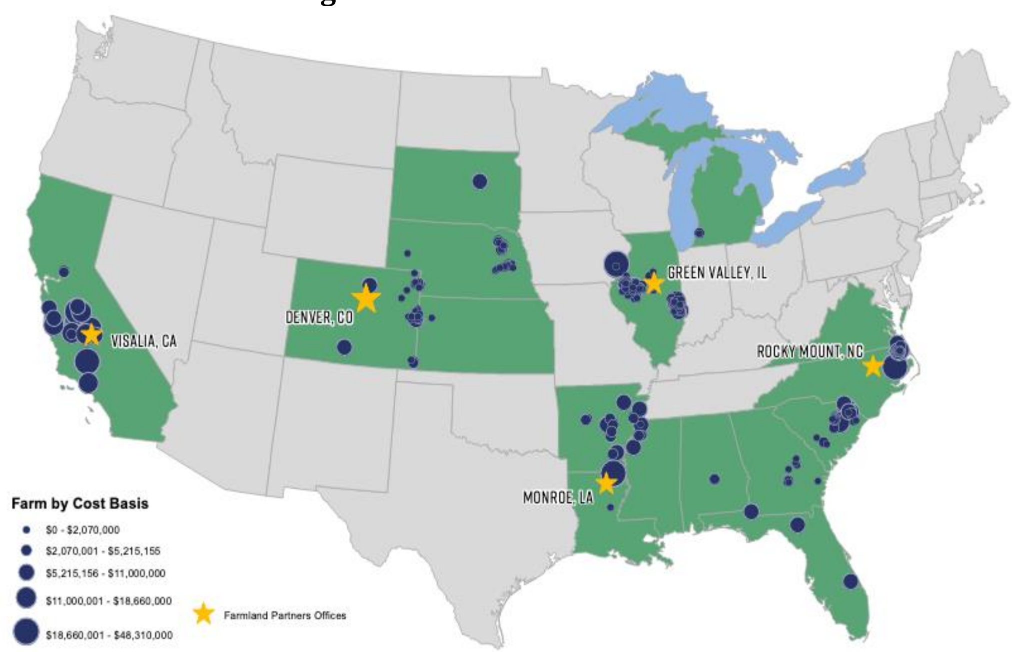
The Company owns 155,000 acres in 16 states: Alabama, Arkansas, California, Colorado, Florida, Georgia, Illinois, Kansas, Louisiana, Michigan, Mississippi, Nebraska, North Carolina, South Carolina, South Dakota, and Virginia.

About 70% of the Company's land is used to grow primary crops, such as corn, soybeans, wheat, rice, and cotton. The remaining 30% is used for specialty crops, such as almonds, citrus, blueberries, vegetables, and edible beans.

FPI's revenue streams contain both fixed and variable leases. While the fixed component provides minimum rents, the variable component is based on a percentage of crop sales and is not guaranteed. Variable leases, including specialty crops, are about 25% of FPI's annual revenues and are collected after harvesting crops. The majority of this revenue stream is reported in the 4^{th} quarter.

Row crops are strategically crucial to the United States and under Title I of the Agricultural Improvement Act of 2018 receive direct income support. FPI generates about 75% of its variable revenue ($36.4 million in 2019) from row crop sales and 25% ($19.3 million in 2019) from specialty crop sales.

Figure 7: Farmland Locations



Source: Company Presentation; June 2, 2020

BEN GRAHAM ANALYSIS

Benjamin Graham, the author of "The Intelligent Investor," was an influential investor whose research in securities laid the groundwork for in-depth fundamental valuation used in stock analysis today by all market participants. Below we used the fundamental analysis principle defined by Graham to analyze FPI.

#1 EPY of 2x Treasury Yield	
FPI 12 Month Earnings Yield (earnings/price)	NA
10 Year Treasury Note yield	0.92%
Criteria Met	No
#2 P/E Ratio Down to Half of Highest P/E Ratio in Last 5 Years	
P/E TTM (trailing 12 months)	42.21
5Yr High P/E Ratio	289.33
Criteria Met	Yes
#3: Dividend Yield of half the 10 Yr Treasury Bond Yield	
Dividend Yield	3.07%
10 Year Treasury Bond yield x .5	0.46%
Criteria Met	Yes
#4 Stock Price at Less Than 1.5X its Book Value	
Stock Price	8.24
Book Value Per Share	19.02
Criteria Met	Yes
#5 Total Debt Less Than Book Value	
Total Debt	508.43 M
Book Value	553.12 M
Criteria Met	Yes
#6 Current Ratio of Two or More	
Current Ratio	1.04
Criteria Met	No
#7 Earnings Growth of 7% or Higher Over Past 5 Years	
EPS 2020	-0.07
EPS 2016	0.09
Criteria Met	No
#8 Stability in Growth of Earnings	
EPS 2020	-0.07
EPS 2019	0.04
EPS 2018	-0.01
EPS 2017	0.03
EPS 2016	0.09
Criteria Met	No

Source: Stock Price Data; November 14, 2020

VALUATION

Our "Buy" valuation of FPI is based on a weighting of five techniques: Net Asset Value (NAV), Multiples Analysis, Discounted Cash Flow (DCF), Funds from Operations (FFO), and Net Operating Income (NOI). These calculations are based on peer group performance, estimates of future growth, and the potential of growth catalysts. Equally weighting these estimates, **our target price for FPI is $11.58.**

NAV

Management evaluates FPI using NAV. Our analyst team obtained each state's average farmland cap rate and calculated a weighted average based on FPI's locations. By multiplying farmland cap rates by recent average farmland sale prices in the states they operate in, we would expect FPI to trade between $14.82 and $15.49, which is in-line with FPI's own assertions.

Multiples Analysis

Farming is a capital-intensive activity. FPI's high asset leverage, common in agriculture, combined with capital-intensiveness, generally makes meaningful enterprise value comparisons difficult across peer groups and the market at large. The exception is EV to EBIT. When compared to its peer group, this method shows FPI valued at $8.10.

DCF

A DCF analysis gives us both our highest and lowest valuations for FPI. The variation is due to a wide range in our terminal growth rate estimates. On the high end a 3% growth rate is comparable to the 10-year Compounded Annual Growth Rate (CAGR) seen by large multinational agriculture firms. This seems reasonable as FPI's growth is limited to the amount of strategically relevant farmland available for acquisition. On the low end, a 0% growth rate is possible. FPI indicated it will continue its existing repurchase program until FPI stock price equals or exceeds NAV. Repurchases are financed with free cash flow as well as asset sales. The rent associated with potential dispositions could offset rent rate increases and participation rents, leading to a no-growth condition. Our estimate of FPI's Weighted Average Cost of Capital (WACC) should hold steady in a narrow band around 4.75% to 5%. We expect FPI to trade between $4.66 and $25.23.

FFO

FPI calculates FFO per the standards established by the National Association of Real Estate Investment Trusts (NAREIT). FPI also uses Adjusted Funds From Operations (AFFO), a non-standard metric, to evaluate its performance, but this adjustment is Company-specific and does not yield meaningful comparisons.

Over the last five years, the market has priced FPI's peer group at an average of $11.59 for every dollar of FFO generated. Using the peer group multiple and our anticipated results for the Company, we expect FPI to be priced at $5.64.

Net Operating Income (NOI)

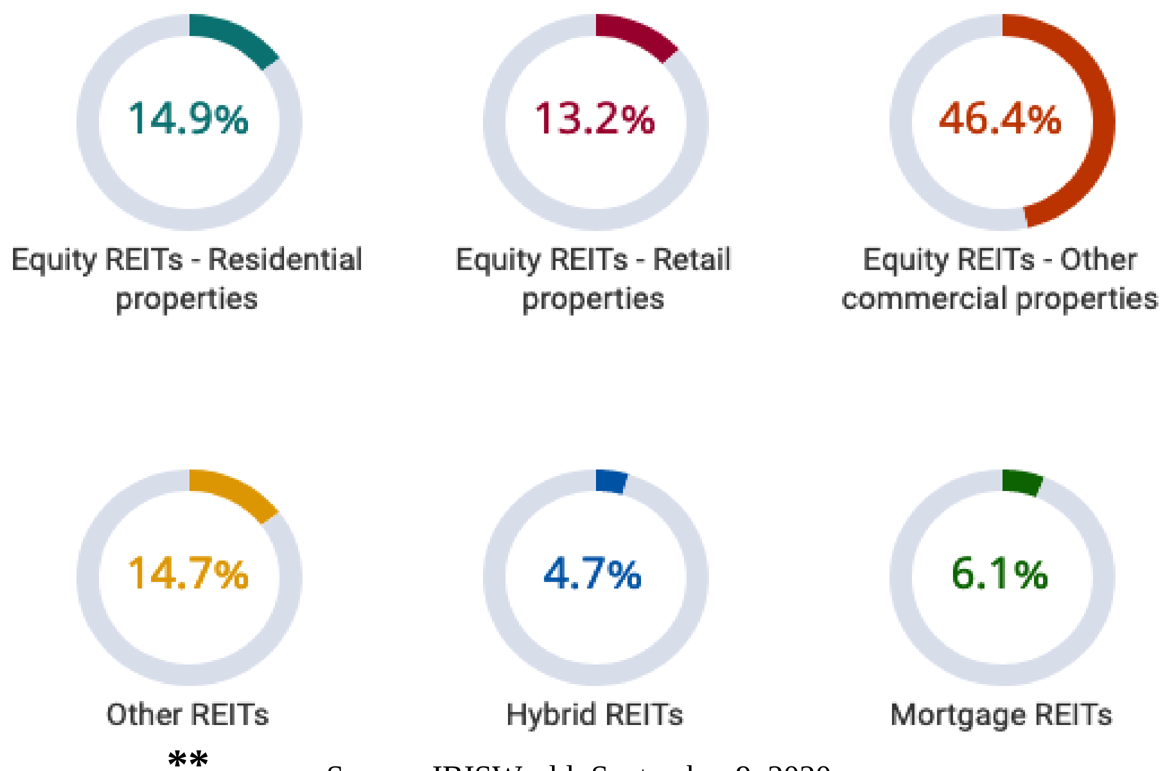
The Company calculates net operating income (NOI) as total operating revenues (rental income, tenant reimbursements, crop sales, and other revenue) less property operating expenses (direct property expenses and real estate taxes).

Over the last five years, the market has priced FPI's peer group at an average of $5.22 for every dollar of NOI generated. Using the peer group multiple and our anticipated results for the Company, we expect FPI to be priced at $7.35.

INDUSTRY ANALYSIS

FPI spans across three industries: REIT, agriculture, and crop services. According to International Benchmarking of the Information Society (IBIS) World, the REIT industry recorded $181.8 billion in revenue for 2020, spread across 3,044 businesses. From 2015-2020, the sector shrank at 2.7% annually, while projected for the next five years to grow by 2.4%. The average industry profit margin in 2020, measured as earnings before interest and taxes, is 20.8%. Furthermore, 14.7% of REITs operate as "other," including agriculture and land-leasing operations. FPI fits into the Other REITs segmentation:

Figure 2: Products and Services Segmentation of REITs



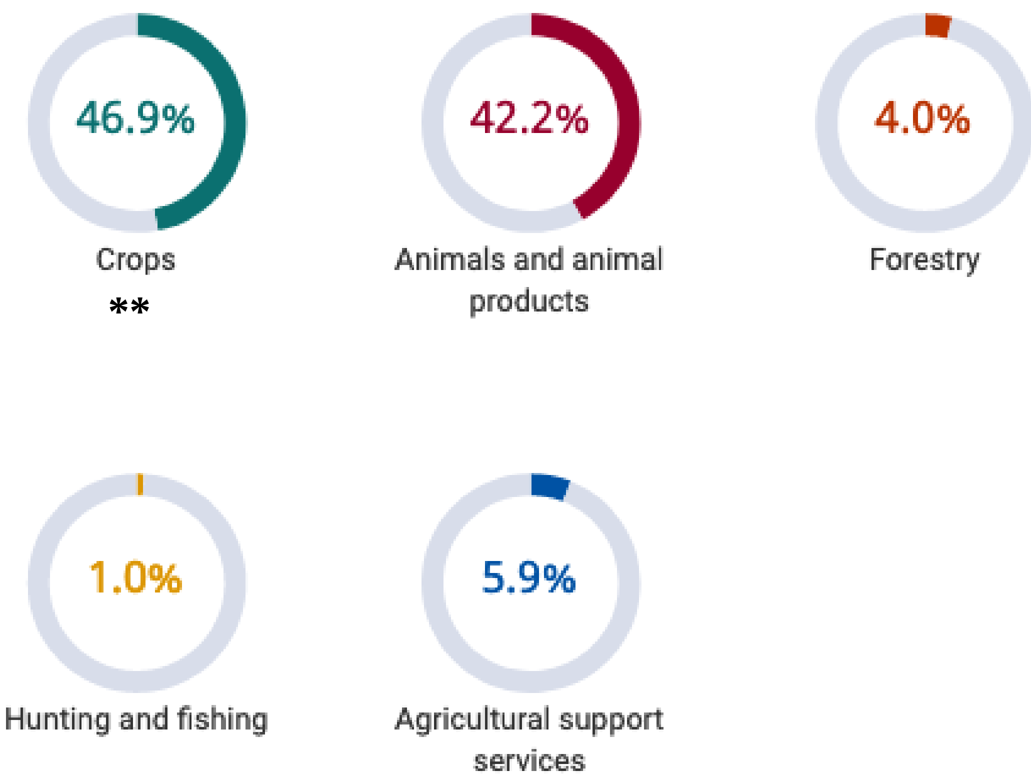
Source: IBISWorld; September 9, 2020

The REIT industry is a mature, highly competitive, and cyclical industry. The sector declines in a recession but increases as investors look for safe, consistent dividend options. According to ReitNotes, a REIT's average beta is 0.33, indicating below-average volatility.

In addition to the REIT industry, FPI works in the agricultural industry. As one of the oldest industries in the United States, it has a longstanding place in the economy. However, it is also one of the most historically volatile industries significantly affected by weather patterns and other environmental issues resulting in drastic swings in supply, demand, and revenue. As a result of COVID-19, demand for agricultural products has shifted from restaurants to grocery stores as cities and states lockdown.

For 2020, the United States' agricultural industry earned $455.3 billion in revenue spread across 2 million businesses. From 2015-2020, the sector shrank at an annual growth rate of -0.2%, while projections for the next five years are to grow 1.0%. The average industry profit margin in 2020, measured as earnings before interest and taxes, is 16.3%. Growing health concerns and the demand for clean food will steadily increase prices across the industry, positively impacting FPI as it falls in line with the crops segment accounting for 46.9% of the agriculture industry:

Figure 3: Products and Segmentation of Agriculture



Source: IBISWorld; November 14, 2020

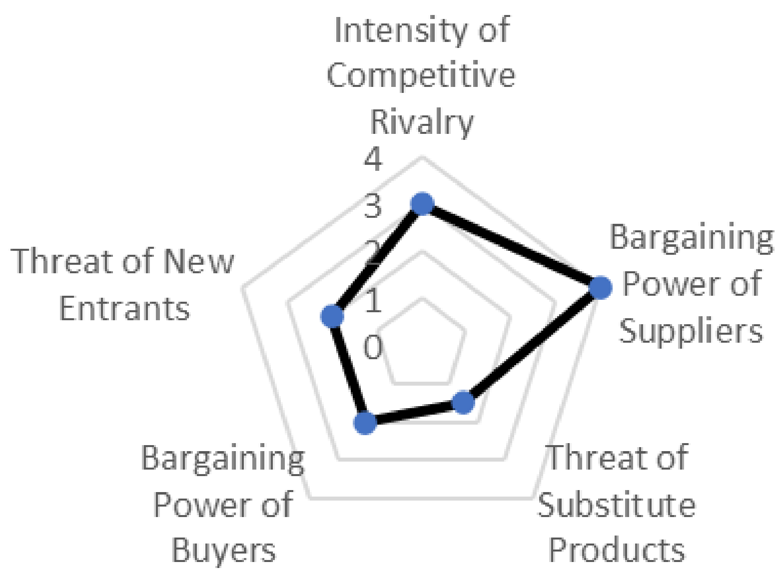
A subsegment of the agricultural industry, the crop services industry earned $18.8 billion in revenue for 2020, spread across 70,290 businesses. From 2015-2020, the sector recorded an annual growth rate of 3.1%, with approximately 72.8% of crop services operating with local farmers versus big corporations. As a landlord to farmers, FPI works in the Farm Management Services segmentation:

Figure 4: Products and Segmentation of Crop Services

Source: IBISWorld; September 9, 2020 **

According to Porter's Five Forces, FPI's position in the agricultural REIT industry has a low threat of entrants due to a moderate-to-high entry cost. Due to a moderate number of competitors and the cost of market exits, competitive rivalry scores a medium. The low number of suppliers and high cost to substitute creates a medium supplier power ranking and a low substitution threat. Finally, the buyer power scores low because of the number of informed buyers, difficulty obtaining products, and product importance.

Figure 5: Porter's Five Forces



Source: Equity Research by Peter Ricchiuti; December 10, 2020

Competitors

In 2019, over 282 REITs were operating in the United States, with a total market capitalization of $1.33 trillion. FPI has a market cap of $245 million as of November 2020. FPI's main competitor is another REIT, Gladstone Land Corporation (LAND), in the real estate segment. LAND also specializes in farmland and is roughly the same size as FPI, with a $334.5M market cap. LAND focuses on higher-margin specialty crops like strawberries, almonds, and pistachios.

The farm credit market segments are dominated by two institutional retail lender groups, the cooperative Farm Credit System (FCS) and commercial banks. Together these two lender groups supply 70 percent of the farm sector's total credit needs. FPI competes with traditional banks and cooperatives like Premier Farm Credit (PFC). PFC is a borrower-owned cooperative that offers a wide range of financial products to farmers, which overlap with FPI's lending products. PFC, a more traditional lender, bases credit decisions on potential crop yield and collateral factors. Companies like PFC may provide attractive loan rates, but their income is limited to interest charged on those loans, and their involvement is limited to lending. In contrast, FPI is a lender and landlord, earning interest by lending to customers while also collecting tenants' rents.

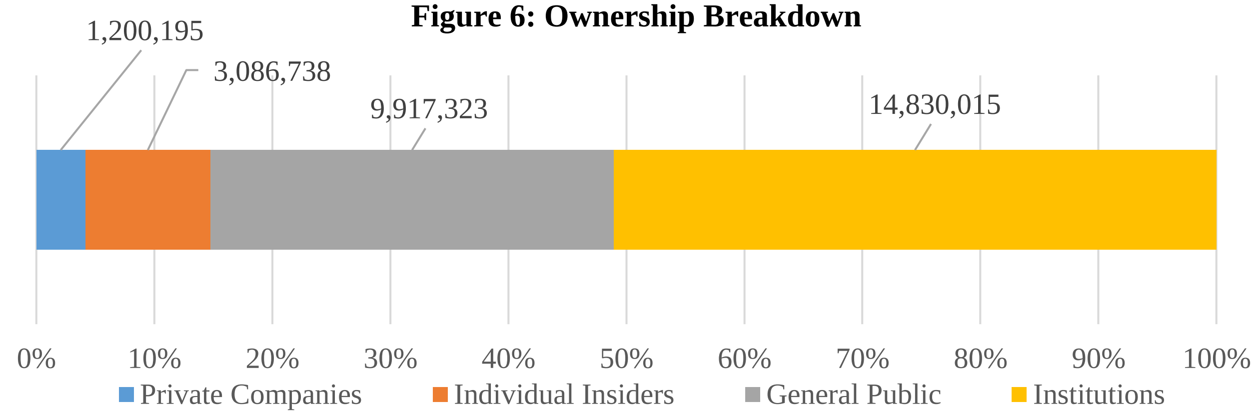
International and Domestic Conditions

The global population is expected to grow from seven billion to more than nine billion by 2040, while arable land is expected to remain flat, positively shifting the demand curve. The supply curve will sharpen as production limits are reached; crop prices will increase domestically and internationally.

SHAREHOLDER ANALYSIS

FPI's composition of three industries is attractive to individual and institutional investors to diversify their portfolios. FPI has 29 million shares outstanding, a $245 million market capitalization, and approximately 85% of shares are currently trading. The majority of the Company's shares are held by institutions including mutual funds and the general public, while internal stakeholders and private companies have 14.7%. The specific ownership groups are below.

Figure 6: Ownership Breakdown



Source: NYSE: FPI Ownership Breakdown; December 1, 2020

FPI prohibits any person from beneficially or constructively owning more than 9.8% of the Company. CEO Paul Pittman is the second-largest investor, which demonstrates confidence to shareholders. All internal stakeholders have continued to buy additional shares in 2020 as part of the Company's share buyback program.

Government regulations significantly impact FPI's revenue stream. As a REIT, the Company must meet several specific shareholder requirements to maintain its tax-exemption status, including:

- A minimum of 100 shareholders after the second year of operations
- No more than 50% of its shares held by five or fewer individuals
- 90% of its taxable income must be paid to owners as dividends
- 75% of the total investments must be in real estate assets
- 95% of its gross income must come from financial investments, including rents, dividends, interest, and capital gains

The Internal Revenue Service (IRS) allows a REIT to avoid federal income tax bypassing income to individual investors through dividends to be taxed at individual rates. Any organization failing the above tests is prohibited from filing and receiving REIT tax benefits for three years, impacting current or future shareholder dividends.

Table 1: Top Ten Institutional Investors as of 9/30/20

Holder	Shares	Ownership %	Value
Global Alpha Capital Management	2,954,332	9.98%	$19,025,898
BlackRock Fund Advisors	1,742,848	5.89%	$11,223,941
Vanguard Group, Inc	1,611,625	5.45%	$10,378,865
Columbia Management Investment Advisers	1,035,892	3.50%	$6,671,144
DWS Investment Management Americas, Inc.	625,000	2.11%	$4,025,000
SSgA Funds Management, Inc.	592,144	2.00%	$3,813,407
AJO LP	517,722	1.75%	$3,334,130
Geode Capital Management, LLC	458,124	1.55%	$2,950,319
Northern Trust Corporation	426,571	1.44%	$2,747,117
Tocqueville Asset Management LP	363,205	1.23%	$2,339,040

Table 2: Top Ten Mutual Fund Holders As of 9/30/20

Holder	Shares	Ownership %	Value
CC&L Global Alpha Fund	2,367,467	8.00%	$15,246,487
Vanguard Total Stock Market Index Fund	1,064,190	3.60%	$6,853,384
DWS Small Cap Core Fund	625,000	2.11%	$4,025,000
iShares Russell 2000 ETF	557,741	1.89%	$3,591,852
Columbia Variable Portfolio-Small Cap Fund	490,272	1.66%	$3,157,352
Columbia Small Cap Value Fund I	480,826	1.63%	$3,096,519
Vanguard Extended Market Index Fund	432,882	1.46%	$2,787,760
iShares Russell 2000 Value ETF	234,842	0.79%	$1,512,382
Fidelity Small Cap Index Fund	177,127	0.60%	$1,140,698
Fidelity Extended Market Index Fund	153,535	0.52%	$988,765

Source: CNN Business; November 14, 2020

MANAGEMENT PERFORMANCE AND BACKGROUND

FPI's management team has a diverse talent stack, including agriculture, investment banking, technology, sales, and corporate development. Their goal is to acquire and manage a portfolio of top-quality farmland.

As of March 2020, FPI has 13 employees, 12 of whom are full-time. Paul Pittman is the President, CEO, and Executive Chairman Luca Fabbri; is the Chief Financial Officer and Treasurer; Richard Keck serves as the Vice President of Operations; Erica Borenstein is the Company's General Counsel and Secretary.

Paul Pittman, Chairman and CEO (57): Has served as Chairman and CEO of FPI since its IPO in April 2014 and is the second-largest shareholder. Before establishing FPI, he worked in investment banking for ten years at Merrill Lynch & Co. and Wasserstein Perella Co. Furthermore, Pittman began his career at Sullivan & Cromwell and worked more than 20 years as both a developer and builder in residential construction. Pittman graduated from the University of Illinois with a BS degree in Agriculture, received a Master's in Public Policy from Harvard University, and a JD with Honors from the University of Chicago Law School. Since 2008, Pittman also served as the President of American Agriculture Corporation and Pittman Hough Farms LLC.

Luca Fabbri, CFO and Treasurer (51): Has served as CFO and Treasurer of FPI since its IPO in April 2014. Before joining FPI, he worked in investment banking for three years at Merrill Lynch & Co. Furthermore, Fabbri began his career in the technology and operations industry and provided consulting services in technology, finance, and corporate development for ten years. Fabbri earned a BS with Honors in Economics from the University of Naples (Italy) and an MBA in Finance from the Massachusetts Institute of Technology. Since November 2011, Fabbri also served as the Senior Vice President and Chief Operating Officer of the American Agriculture Corporation.

Richard Keck, Vice President of Operations: Has served as VP of Operations since August 2015. Before joining FPI, Richard worked as the chief financial officer for innovative middleware software and big data analytic companies acquired by larger organizations. Furthermore, Richard began his career as a corporate banking officer in business development, account management, and credit analysis. Richard earned a BS in Accounting from the University of Illinois and an MBA in Finance and Business Strategy from the University of Chicago.

Erica Borenstein, General Counsel and Secretary (50): Has served as General Counsel and Secretary of FPI since 2016. Before FPI, Borenstein served seven years as the General Counsel and Vice President of International Sales and Distribution of Newton Running Company, Inc. Borenstein has served six years as the Chief Counsel of the Broadband Services Division for CSG Systems, Inc. Before that, Borenstein worked as an attorney in private practice. Borenstein earned a BA in Political Science from Washington University in St. Louis and a JD *cum laude* from Boston University School of Law.

PEER ANALYSIS

FPI's peer companies are equity REITs that maximize the value of their land under management; however, they all take different approaches. Some REITs use the land for farm-related purposes, while others develop housing, retail, and mixed-use and industrial properties. All of FPI's peer companies directly own land and use the tax-advantaged REIT structure. FPI's closest peers are summarized below.

Gladstone Land Corp (LAND) owns and leases farmland and farming related properties. The Company has straight land leases and participation rents, which share revenue from crop harvests. Their tenants grow both row crops such as corn and beans planted and harvested annually and permanent crops such as almonds and olives that do not require annual plantings. Gladstone owns 121 farms in 12 states spanning about 93,000 acres. See competitors in Industry Analysis.

Whitestone REIT owns and operates retail and mixed-use properties near metropolitan areas. Whitestone chooses properties that are at the center of culturally diverse communities. The Company owns 58 properties with about 5 million square feet of lease-able space.

Bluerock Residential Growth REIT Inc. focuses on Class A apartment properties. Bluerock's target market are renters by choice. Bluerock provides properties with amenities near areas with work and play opportunities. The Company has over 17,000 apartments in 11 states.

Franklin Street Properties Corp focuses on office and mixed-use properties in central business districts and infill areas of cities. The Company operates about 10 million square feet of Class A space in 10 states in the Sunbelt and Mountain West regions.

Note: FPI has a capital intensity ratio of 0.05 compared to a peer average of 0.18 over the same period indicating FPI has been better able to generate revenue from its real estate holdings than its peers.

Table 3: Peer Financial Comparison

Company	Farmland Partners, Inc.	Gladstone Land Corp	Whitestone REIT	Bluerock Residential Growth REIT, Inc.	Franklin Street Properties Corp
Ticker	FPI	LAND	WSR	BRG	FSP
Price	8.59	14.79	8.06	11.62	4.7
Market Cap	250,880	325,247	341,368	286,619	504,443
FFO	13,198	12,373	45,739	46,946	88,478
FFO/Share	0.45	0.56	1.08	1.90	0.82
P/FFO	19.01	26.29	7.46	6.11	5.70
P/E	-	-	18.26	-	-
EBITDA	2,294	21,669	33,226	97,025	88,785
Debt/EBITDA	221.69	23.24	19.41	14.71	11.22
Debt/Equity (%)	1.23	0.42	2.02	1.61	1.35
Div	0.2	0.5388	0.42	0.65	0.36
Div Yield	2.33%	3.64%	5.21%	5.59%	7.66%
Shares	29,206	21,991	42,353	24,666	107,328

Source: IQ US Real Estate Small Cap Index (IQSMRES); September 7, 2020

RISK ANALYSIS

FPI faces various risks due to their overlapping industries, such as the regulatory risk of state and federal laws and financial risk from COVID-19 and debts. The cyclical nature of the sectors also includes leasing and tenant credit risk and environmental risk. Other risks are management composition and strategic decisions, such as key persons, litigations, and their loan program.

Regulatory Risks

The United States Securities and Exchange Commission (SEC) regulates both publicly traded and non-traded REITs. Considering COVID-19, REITs are focused on maintaining operations and preserving cash by reducing dividends, leveraging the Section 1031 exchange, and looking for new revenue streams. FPI must monitor its REIT status as 95% of its gross income must come from financial investments, including rents, dividends, interest, and capital gains. For example, FPI cannot receive *Coronavirus Aid, Relief, and the Economic Security Act* (CARES) relief funds without jeopardizing their REIT status, ultimately serving investors' best interest. If the Company lost REIT status, it would not be able to take advantage of the tax benefits for the following three years.

In May 2020, the Internal Revenue Service (IRS) set forth a temporary guideline permitting REITs to use less cash and more stock in making their distribution requirements. Under Revenue Procedure 2020-19, FPI shareholders on or after April 1, 2020 through December 31, 2020 can elect to receive stock instead of cash dividends, allowing the Company more flexibility.

Several states prohibit or restrict corporations from owning farmland. Proponents of these laws want to maintain the economic viability of family farms and/or insurance against a corporation's liability limitations, especially around potential environmental damages. Opponents have not had the means to challenge these restrictions in court. FPI is not in a financial position to challenge these diversifications limiting restrictions in favorable farming states such as Iowa, North Dakota, South Dakota, Minnesota, Missouri, Kansas, Oklahoma, and Wisconsin. FPI nonetheless owns property in Kansas and South Dakota, which do have these restrictions. The Company may be forced to sell property unfavorably at some point to comply with state law.

Financial Risks

COVID-19 may negatively impact FPI's tenant's ability to pay rent. Related labor shortages may have affected tenants' ability to harvest crops and plant for the next cycle. FPI's management has issued guidance to dampen expectations on 2020 variable rent because of the pandemic.

FPI's rental income was affected in 2018 and 2019 by two acquisitions financed through reducing accounts receivable and cash, plus four dispositions. In addition, rental income decreased by 6% in 2019 due to the timing of payments, sales, crop prices, and cyclical yields. An 11th-hour transaction could have similar effects in 2020.

FPI is exposed to interest rate risk because of the amount and variable nature of their debt. To mitigate this risk, they will need to manage debt strategically. Debt is 48% of net real estate assets. Interest expense was 40% of total 2019 revenue and should be higher in 2020 according to variable rent guidance. Only 4.9% of the existing debt is on fixed terms, and those loans mature in 2025. The Fed’s FOMC plans to keep rates low over the next two years, which should help FPI keep variable interest expense at a manageable level.

As the economy rebounds and interest rates rise, interest expense on the variable portion of the debt will increase. FPI plans to refinance its $508M in existing debt as it matures. $112M of quarterly adjusted LIBOR +1.3% notes mature in Q1 of 2022. These notes are 22% of FPI's debt and are both an opportunity and a risk for FPI as interest rates change. The Company does not plan to add new debt in the short term. Debt covenants most likely restrict leverage ratios, and the stock repurchase plan takes priority over acquisitions while the stock price is trading under NAV.

Litigation

FPI currently has nine pending litigations dating back to July 2018, most of which are centered around their loan program. In the periods 2018 to 2020, the Company's legal expense run-rate increased by an average of $1.3M over the 2017 run-rate. Over the period 2018 to 2020, legal fee increases over the base amount to 24% of FFO. While these expenses are potentially recoverable if FPI prevails, as stated in the Company's 10-Q, FPI cannot provide assurances as to the litigation outcome at this time.

Loan Program

FPI is suspending this program through which they finance tenant and non-tenant third-party farmers through loans for working capital, infrastructure projects, and other agricultural purposes. The loans are $500,000 or more over three years and are collateralized with crops, equipment, and real estate in the case of non-tenant third parties. Free cash flow previously used for these operations is being reallocated to the stock repurchase program. Unless, or until, the buyback strategy shifts, we expect to see declining interest income as existing loans are repaid but not reissued.

Note: Suspending the loan program adds reputational risk. While FPI sees a better use for free cash flow, suspending the program affirms the described-below short attack's narrative of a problematic loan portfolio.

Leasing and Tenant Credit

FPI works with individuals based on types of leases, such as contingent and cash plus bonuses from proceeds on well-performed variable crops. By requiring a large portion of rent in advance of the planting season, most default risk is mitigated. FPI also requires crop insurance and may file liens on growing crops. 20% of FPI's total revenue is protected when tenants participate in the percentage (variable) rents, rather than riskier guaranteed minimum (fixed) rents.

The Company conducts due diligence on potential loan collateral the same way it does for acquisitions and assesses loan clientele with the same methods as tenants. These assessments test the merit of experience and reputation through background checks and references. Potential tenants from a local area may be given preferred status and are evaluated on willingness to pay competitive rental rates.

Leasing property runs the risk of periods of no rental income. FPI's tenant leases average three-year term length and currently has no vacancies despite COVID-19. Low vacancy is standard in agriculture. The upcoming expiring leases to be negotiated equal 19.5% of rental revenue in 2020 and 17.9% of rental income in 2021.

Note: The Biden tax plan calls for raising taxes on individuals making $400,000 or more in taxable income, which could affect farmers and impacting FPI's tenants and their ability to pay rent, which is FPI's most predictable revenue stream.

Default risk is mitigated with crop insurance, liens against crops, and diversification but cannot be eliminated.

Key Persons Risk

FPI faces risks associated with small senior staff. The CEO, Paul Pittman, and the CFO, Luca Fabbri, are crucial to management. Losing either would impact FPI's ability to execute on strategy. The entire management team knows each other from previous professional careers or college, and their close relationships might cause bias in performance.

Environmental Risks

Natural disasters and severe weather conditions may affect revenues. FPI has land exposed to risk from hurricanes, floods, droughts, fires, and other events. The related clean-up costs and decreased crop yields can have negative financial impacts for one or more years, depending on the type of crop, timing of occurrence, and extent of the damage. FPI as a landlord is responsible for any needed environmental remediation related to tenant use and disposal of hazardous materials.

Irrigated agricultural areas are equipped to provide water via artificial means of irrigation such as diverting streams, flooding, or spraying crops. In non-irrigated agricultural regions, the production of crops is dependent on rain-fed irrigation. Irrigation raises several questions about land tenure and water rights interface. Irrigation is critical to global food security and cannot be over-emphasized. If a water right is not legally or physically available under certain conditions when there is a demand, it puts an agricultural business at risk of failure. This risk is multiplied if water shortages occur at crucial times in the growing or processing season. The climatological boundary that cuts through the center of the Dakotas, Nebraska, Kansas, Oklahoma, and Texas divides the country into west and east, dry and wet. FPI has properties in both the west and east, mitigating the risk for shareholders.

SUSTAINABILITY

Continuously increasing demand from global population growth and scarcity of food and farmland is a core component of FPI's long-term strategy. FPI is increasing environmentally sustainable agricultural practices on their land by providing financial support for efficient irrigation systems and long-term reservoirs. These practices promote higher operating efficiencies and crop yields.

Management identified renewable energy as a part of its growth strategy. Solar can be up to three times more profitable than land leases for farming. Large-scale wind and solar deployments are typically grid-tied and limited to properties with nearby electrical infrastructure to transmit the generated power. For example, as of January 2016, FPI entered into solar lease agreements for two South Carolina farms. Of their tillable 2,579 acres, tenants have converted 979 acres into photovoltaic solar power generation facilities. The leases are set with 20-year terms with potential extensions. Such conversions increase the rent from $210 per acre to $822, with an additional 1.5% increase in rent after year five. These improvements will increase the cap rate for these farms by 10.6% above the average 3.4%

As of 2019, FPI has nineteen properties with wind and solar options. Currently, ten wind easements are operating on their land. FPI will continue to optimize their property to support revenue opportunities, especially with the 5G network development. Considering the favorable economics, we expect these initiatives to increase.

OUTSIDE INDEPENDENT RESEARCH (INTERVIEWS)

Farmers

Our analyst team contacted farmers who own and operate farmland to learn about the impacts of COVID-19, the industry's economics, and future investments. The first farmer was Pat Ritz, a small owner and operator in Iowa. The second farmers were Joe and Jaylene Bauerly, owners and operators of 800 acres in Iowa and Nebraska. The third farmers were Dick and Patty Rydell, owners and operators of 1,000 acres in North Dakota.

Several factors have had adverse effects on farmers during 2020. Pat believes COVID-19 has affected farming through the workforce available, the demand for row crops, and financial resources available to help. Pat, Dick, and Patty are not aware of any loan programs in their areas to assist local farmers financially. Joe and Jaylene know of Farm Credit of America who provides loan assistance to farmers and some state-run farming loans, but these have a low clientele volume. COVID-19 also affected farming machinery manufacturing by requiring social distancing for line operators. Most farmers have been repairing their machinery due to desperation from rising equipment costs. Pat has noticed the price of farm equipment go up 10% each year for the past few years. All farmers agreed that crop prices are low, and the yields will be medium, at best, due to high winds and dry conditions. Joe and Jaylene observed both soybeans and corn being harvested during early September, which was quite soon considering the late October average harvest time.

Shorter from the Short-and-Distort Litigation

On July 11, 2018, "Rota Fortunae" (a pseudonym) published an article titled "Farmland Partners: Loans to Related-Party Tenants Introduce Significant Risk of Insolvency - Shares Uninvestible." The article stated FPI uses its loan program to artificially increase revenues by making loans to related-party tenants who round-trip the cash back to FPI as rent and interest revenue. While FPI discloses its loans, it has neglected to reveal that over 70% of its loans ($9.2 million) have been made to Ryan Niebur and Jesse Hough (both FPI tenants and former members of FPI's management team). Niebur is a now-bankrupt tenant after defaulting on his FPI loan; however, he was bailed out when FPI acquired his properties.

After the article was published, FPI's share price fell ~40% in one day. On July 24, 2018, FPI filed a lawsuit against Rota Fortunae and numerous co-conspirators for spreading false and materially misleading information. FPI maintains there was no wrong-doing and continues to seek damages from the short and distort attack. After two years in the Courts (June 12, 2020), FPI announced in a press release that Rota Fortunae, the pseudonymous author of the short-and-distort attack, was identified in court proceedings as Quinton Mathews from Dallas, Texas. Our analyst team contacted Quinton Matthews, Registered Investment Advisor and Managing Member of QKM, LLC. While responsive and generally open to help, due to the on-going litigation, Matthews declined an interview with specific questions about FPI and the published short article.

Management has spent $4M over three years on this particular litigation. FPI's reputational damage could also adversely affect the stock price and lengthen the buyback program, which reduces productive assets on their balance sheet. For instance, FPI's stock has traded below its calculated NAV since 2018. FPI is using free cash flow and capital assets to repurchase outstanding shares. As our analyst team forecasts FPI's revenue through the projected date of the lawsuit settlement, we predict this 2023 event to catalyze investor awareness and for the Company to exit its contractionary phase and stop spending free cash supporting the stock, returning to growth.

COMPANY VISIT

On October 7, 2020, our analyst team had the opportunity to visit FPI's management over Zoom. The group met with the Chairman and Chief Executive Officer (CEO), Paul Pitman, Chief Financial Officer (CFO) and Treasurer, Luca Fabbri, and Vice President of Operations, Richard Keck. The management team ran through their roles and responsibilities and gave a brief overview of the Company and the farming industry; then we moved into a Q&A discussion.

Our analyst team learned more about FPI's revenue streams and loan program. The Company's management team explained that the loan program is a contention point because of the short and distort lawsuit. All distributed loans were paid in full, and the Company does not wish to provide loans in the near future. Despite the COVID-19, FPI does not see a need for the loan program because tenants are utilizing external resources at this time. The now-canceled loan program will stop generating interest income. Management spoke with conviction about the short and distort lawsuit to defend their reputation and to let others know that they will fight if attacked. Pittman would like to see $5 billion in assets on the high bound once the short and distort lawsuit is settled.

FPI's on-going land management strategy is to sell land to buy back stock. FPI plans to continue its share repurchase strategy until the stock price more accurately represents management's NAV estimate of $12 per share. A month later, during the earnings call on November 9, Pittman increased the Company's projected NAV to $13-15 per share. Management said it can safely sell half of its assets and still run efficiently. Management discussed assets instead of acreage because not all land is the same. Regional expansion is based on the price per acre, quality of the land, and farming laws.

Our meeting with FPI's leadership team was enlightening. This meeting gave us insight into the Company's strategic goals and added confidence that management has solid backgrounds in farming and finance needed to build value for its shareholders and act in their best interest.

Annual & Quarterly Earnings
In thousands

	2016 A	2017 A	2018 A	2019 A	2020 31-Mar A	2020 30-Jun A	2020 30-Sep A	2020 31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Net sales "Total Operating Revenue"	31,001	46,219	56,069	53,564	11,650	10,517	10,604	16,664	47,738	49,689	45,935	42,472	42,570
Rental income	29,668	42,956	51,185	48,119	10,073	9,141	8,701	14,970	42,885	44,638	41,265	38,154	38,242
Tenant reimbursements	263	1,909	3,158	3,146	861	883	911	1,399	4,008	4,172	3,857	3,566	3,574
Other income	224	555	1,316	1,321	381	131	244	226	648	675	624	577	578
Crop sales	846	799	410	978	335	362	748	69	197	205	189	175	175
Gross profit	31,001	46,219	56,069	52,637	11,084	9,772	10,604	16,664	47,738	49,689	45,935	42,472	42,570
Operating expenses "Property O.E."	2,379	5,897	7,834	7,897	1,861	1,818	1,961	2,500	7,162	7,455	6,891	6,372	6,387
Selling, general, and administrative expenses	7,023	7,258	7,477	6,102	1,451	1,402	1,395	2,872	8,228	8,564	7,917	7,320	7,337
Depreciation and amortization	1,554	7,792	8,544	8,320	2,000	2,003	1,979	2,022	8,048	7,423	6,847	6,315	6,442
Cost of goods sold	-	-	-	-	-	-	1,332	-	-	-	-	-	-
Other operating expenses	445	361	11	4	1	1	1	3	9	10	9	8	8
Acquisition and due diligence costs	2,521	930	180	6	1	11	1	53	153	160	147	136	137
Legal and accounting	1,447	1,453	2,330	3,971	482	848	287	693	1,984	2,065	1,909	1,765	826
Total operating expenses	15,369	23,691	26,376	26,300	5,796	6,083	6,956	8,144	25,584	25,676	23,721	21,917	21,137
Operating income (loss)	15,632	22,528	29,693	26,337	5,288	3,689	3,648	8,520	22,154	24,013	22,214	20,555	21,432
Other expenses	(337)	(391)	(264)	(260)	121	(33)	25	(103)	10	(307)	(284)	(263)	(263)
Loss (gain) on sale of easement	-	200	(2,882)	(7,841)	86	(917)	(1,348)	(3,281)	(7,392)	(6,635)	(12,029)	(16,994)	(14,477)
Interest expense	9,959	13,561	18,799	19,588	4,663	4,467	4,411	3,646	16,171	16,171	16,171	16,171	16,171
Interest expense, net (includes other & easement)	9,622	13,370	15,653	11,487	4,870	3,517	3,088	263	8,788	9,228	3,858	(1,086)	1,430
Income (loss) before income taxes	6,010	9,158	14,040	14,850	418	172	560	8,258	13,366	14,784	18,356	21,641	20,002
Net income (loss)	5,999	9,158	14,040	14,850	418	172	560	8,258	13,366	14,784	18,356	21,641	20,002
No. of Outstanding Shares	17,351	33,334	30,594	29,952	29,866	29,596	29,086	28,941	28,796	28,652	28,509	28,366	28,224
Weighted Average of Outstanding Shares	13,204	31,210	32,162	30,169	29,545	29,433	29,206	-	-	-	-	-	-
Par Value	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Dividend Per Share	0.51	0.51	0.36	0.20	0.05	0.05	0.05	0.05	0.20	0.20	0.20	0.51	0.51
NOI	28,622	40,322	48,235	44,740	9,223	7,954	8,643	14,164	40,576	42,234	39,043	36,100	36,183
FFO	7,553	17,150	19,702	15,329	2,504	1,258	1,191	6,999	14,021	15,572	13,174	10,962	11,967
AFFO	8,777	12,281	8,788	4,272	(3,004)	(6,185)	(8,168)	6,999	14,021	15,572	13,174	10,962	11,967
FFO/Share	0.44	0.51	0.64	0.51	0.08	0.04	0.04	0.24	0.49	0.54	0.46	0.39	0.42
AFFO/Share	0.51	0.37	0.29	0.14	(0.10)	(0.21)	(0.28)	0.24	0.49	0.54	0.46	0.39	0.42
NOI/Share	1.65	1.21	1.58	1.49	0.31	0.27	0.30	0.49	1.41	1.47	1.37	1.27	1.28

SELECTED COMMON-SIZE	2016 A	2017 A	2018 A	2019 A	2020 31-Mar A	2020 30-Jun A	2020 30-Sep A	2020 31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Net sales "Total Operating Revenue"	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Rental income	95.7%	92.9%	91.3%	89.8%	86.5%	86.9%	82.1%	89.8%	89.8%	89.8%	89.8%	89.8%	89.8%
Tenant reimbursements	0.8%	4.1%	5.6%	5.9%	7.4%	8.4%	8.6%	8.4%	8.4%	8.4%	8.4%	8.4%	8.4%
Other income	0.7%	1.2%	2.3%	2.5%	3.3%	1.2%	2.3%	1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
Operating expenses "Property O.E."	7.7%	12.8%	14.0%	15.0%	16.8%	18.6%	18.5%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%
Selling, general, and administrative expenses	22.7%	15.7%	13.3%	11.6%	13.1%	14.3%	18.5%	17.2%	17.2%	17.2%	17.2%	17.2%	17.2%
Depreciation and amortization	5.0%	16.9%	15.2%	15.8%	18.0%	20.5%	18.7%	12.1%	16.9%	14.9%	14.9%	14.9%	15.1%
Other operating expenses	1.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Acquisition and due diligence costs	8.1%	2.0%	0.3%	0.0%	0.0%	0.1%	0.0%	0.3%	0.3%	0.3%	0.0%	0.3%	0.3%
Legal and accounting	4.7%	3.1%	4.2%	7.5%	4.3%	8.7%	2.7%	4.2%	4.2%	4.2%	4.2%	4.2%	1.9%
Total operating expenses	49.6%	51.3%	47.0%	50.0%	52.3%	62.2%	65.6%	48.9%	53.6%	51.7%	51.6%	51.6%	49.7%
Operating income (loss)	50.4%	48.7%	53.0%	50.0%	47.7%	37.8%	34.4%	51.1%	46.4%	48.3%	48.4%	48.4%	50.3%
Interest expense, net (includes other & easement)	31.0%	28.9%	27.9%	21.8%	43.9%	36.0%	29.1%	1.6%	18.4%	18.6%	8.4%	-2.6%	3.4%
Net income (loss)	19.4%	19.8%	25.0%	28.2%	3.8%	1.8%	5.3%	49.6%	28.0%	29.8%	40.0%	51.0%	47.0%

YEAR TO YEAR CHANGE	2016 A	2017 A	2018 A	2019 A	2020 31-Mar A	2020 30-Jun A	2020 30-Sep A	2020 31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Net sales "Total Operating Revenue"	125.4%	49.1%	21.3%	-4.5%	7.0%	-3.9%	7.7%	-23.8%	-10.9%	4.1%	-7.6%	-7.5%	0.2%
Rental income	119.0%	44.8%	19.2%	-6.0%	4.1%	-5.7%	-4.5%	-23.8%	-10.9%	4.1%	-7.6%	-7.5%	0.2%
Tenant reimbursements	94.8%	625.9%	65.4%	-0.4%	84.4%	89.5%	98.9%	-20.3%	27.4%	4.1%	-7.6%	-7.5%	0.2%
Other income	206.8%	147.8%	137.1%	0.4%	27.0%	-56.3%	-42.5%	-23.8%	-50.9%	4.1%	-7.6%	-7.5%	0.2%
Crop sales		-5.6%	-48.7%	138.5%	-25.6%	-25.2%	-615.9%	-63.7%	-79.9%	4.1%	-7.6%	-7.5%	0.2%
Operating expenses "Property O.E."	-64.3%	-74.6%	-67.8%	-78.1%	324.3%	2.4%	-7.3%	-21.6%	-65.1%	-3.9%	8.2%	8.2%	-0.2%
Selling, general, and administrative expenses	-67.9%	-80.5%	-71.6%	-69.4%	320.5%	3.5%	-28.5%	-31.7%	-65.1%	-3.9%	8.2%	8.2%	-0.2%
Depreciation and amortization	-70.8%	-72.5%	-75.0%	-75.6%	316.0%	-0.1%	1.2%	-2.1%	-74.9%	8.4%	8.4%	8.4%	-2.0%
Other operating expenses	-56.0%	-101.1%	109.1%	-21075%	300.0%	0.0%	0.0%	-69.4%	-65.1%	-3.9%	8.2%	8.2%	-0.2%
Acquisition and due diligence costs	-72.1%	-94.4%	-91.7%	-16.7%	500.0%	-90.9%	1000.0%	-98.1%	-65.1%	-3.9%	8.2%	8.2%	-0.2%
Legal and accounting	-61.0%	-79.2%	-75.7%	-61.4%	723.9%	-43.2%	195.5%	-58.6%	-65.1%	-3.9%	8.2%	8.2%	113.7%
Total operating expenses	-67.3%	-77.2%	-72.1%	-76.0%	353.8%	-4.7%	-12.6%	-14.6%	-68.2%	-0.4%	8.2%	8.2%	3.7%
Operating income (loss)	-46.8%	-54.9%	-54.4%	-44.4%	398.1%	43.3%	1.1%	-57.2%	-61.5%	-7.7%	8.1%	8.1%	-4.1%
Net income (loss)	-39.5%	-40.2%	-84.8%	-108.5%	-314.9%	-466.7%	-232.0%	-124.3%	-1137.9%	-103.2%	8.2%	8.2%	-0.2%

Annual & Quarterly - Balance Sheets
In thousands

					2020								
	2016 A	2017 A	2018 A	2019 A	31-Mar A	30-Jun A	30-Sep A	31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Cash	47,166	53,536	16,891	12,561	14,994	11,598	7,108	46,636	46,636	154,738	247,412	328,221	322,010
Accounts Receivable, Net	4,181	6,650	6,136	5,515	5,814	3,144	6,494	5,070	5,070	5,277	4,878	4,510	4,521
Notes and Interest Receivable, Net	2,843	9,760	11,877	4,767	4,278	2,448	2,412	-	0	0	0	0	0
Inventory	283	126	341	1,550	1,619	2,132	1,505	2,516	2,516	2,619	2,421	2,239	2,244
Prepaid Expenses and Other Assets		3,057	3,638	3,440	2,353	1,637	1,453	7,949	7,949	7,977	7,370	6,810	6,567
Deposits	5,721	239		1	90		-		-				
Prepaid and Other Assets	1,056								-				
Land, At Cost	551,392	947,899	957,516	937,813	937,847	934,260	930,653	915,575	915,575	844,497	778,937	718,467	732,944
Construction in Progress	1,615	8,137	10,262	11,911	12,474	9,360	9,275	9,360	9,360	-	-	-	-
Permanent Plantings	1,845	52,870	52,989	52,089	51,967	54,545	54,430	52,255	52,255	48,199	44,457	41,006	41,832
Drainage Improvements	4,757	9,964	12,271	12,674	12,674	12,606	12,790	12,715	12,715	11,727	10,817	9,977	10,178
Grain Facilities	6,856	11,463	12,184	12,091	12,090	12,091	12,091	12,130	12,130	11,188	10,319	9,518	9,710
Irrigation Improvements	15,988	51,678	53,458	53,871	54,299	53,793	53,833	54,043	54,043	49,848	45,978	42,409	43,263
Groundwater	11,933	12,107	11,473	11,473	11,473	10,214	10,214	11,510	11,510	10,616	9,792	9,032	9,214
Real Estate, At Cost - Other			1,100,147	1,074,545	1,073,656	1,066,232	1,060,724	1,042,186	1,042,186	942,641	859,458	782,732	793,147
Other Real Estate, At Cost	2,901	8,245	8,196	7,827	7,840	8,013	8,032	7,852	7,852	7,242	6,680	6,162	6,286
Right of Use Assets				73	198	163	128	71	71	71	71	71	71
Accumulated Depreciation	(3,224)	(10,285)	(18,202)	(25,277)	(27,206)	(28,813)	(30,722)	(33,325)	(33,325)	(40,748)	(47,594)	(53,909)	(60,352)
Deferred offering Costs	216	292	218				-						
Deferred Financing Fees, Net		348	261	174	152	131	109						
Total Assets	655,529	1,166,086	1,139,509	1,102,553	1,102,956	1,087,322	1,079,805	1,104,357	1,104,357	1,113,253	1,121,539	1,124,512	1,128,489
Accrued Expenses	4,558	2,800	3,581	5,868	4,369	4,872	7,482	13,192	13,192	13,731	12,693	11,736	11,763
Accrued Interest	1,538	3,193	4,296	3,111	3,414	3,554	3,221	11,313	11,313	11,775	10,885	10,065	10,088
Accrued Property Taxes	1,225	1,584	1,666	1,873	2,411	2,033	2,645	6,269	6,269	6,526	6,033	5,578	5,591
Derivative Liability			865	1,644	3,227	3,518	3,182	2,643	2,643	2,751	2,543	2,351	2,357
Lease Liability			-	73	198	163	128	156	156	163	150	139	139
Dividends & Distributions Payable	2,938	4,847	1,681	1,593	1,593	1,583	1,550	1,583	1,583	1,583	1,583	1,583	1,583
Mortgage Notes and Bonds Payable	308,779	514,071	523,641	511,403	511,283	510,701	508,432	511,455	511,455	511,507	511,559	511,611	511,663
Deferred Revenue	982	3,907	238	71	10,182	2,034	50	1,743	1,743	1,814	1,677	1,550	1,554
Total Liabilities	320,020	530,402	535,968	525,636	536,677	528,458	526,690	548,353	548,353	549,848	547,123	544,614	544,738
Minority Interest	53,692	46,513	44,685	19,044									
Minority Interest	119,915	120,510	120,510	120,510	117,877	118,755	119,633	118,755	118,755	118,755	118,755	118,755	118,755
Preferred Stock Convertible		144,223	143,758	142,861	141,885	139,766	139,766	139,766	139,766	139,766	139,766	139,766	139,766
Common Stock - Par Value	172	329	300	292	289	287	282	281	281	278	276	275	274
Additional Paid in Capital	172,100	350,147	332,996	338,387	337,457	336,058	333,037	329,994	329,994	328,344	326,703	325,069	323,444
Other Comprehensive Income			(865)	(1,644)	(3,227)	(3,380)	(2,853)	(2,853)	(2,853)	(2,853)	(2,853)	(2,853)	(2,853)
Retained Earnings (Deficit)	4,103	5,161	4,852	6,251	3,530	604	(1,934)	6,324	6,324	21,108	39,464	61,105	81,108
Non-controlling interests in operating partnership					18,750	18,544	18,408	18,408	18,408	18,408	18,408	18,408	18,408

Cumulative Dividends	(14,473)	(31,199)	(42,695)	(48,784)	(50,282)	(51,770)	(53,224)	(54,671)	(54,671)	(60,402)	(66,103)	(80,627)	(95,150)
Total Shareholders Equity	335,509	635,684	603,541	576,917	566,279	558,864	553,115	556,003	556,003	563,405	574,416	579,898	583,751
Total Liabilities & Shareholders Equity	655,529	1,166,086	1,139,509	1,102,553	1,102,956	1,087,322	1,079,805	1,104,357	1,104,357	1,113,253	1,121,539	1,124,512	1,128,489

SELECTED COMMON SIZE BALANCE SHEET (% of net sales)

					2020								
	2016 A	2017 A	2018 A	2019 A	31-Mar A	30-Jun A	30-Sep A	31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Cash	152.1%	115.8%	30.1%	23.5%	128.7%	110.3%	67.0%	279.9%	97.7%	311.4%	538.6%	772.8%	756.4%
Accounts Receivable, Net	13.5%	14.4%	10.9%	10.3%	49.9%	29.9%	61.2%	30.4%	10.6%	10.6%	10.6%	10.6%	10.6%
Notes and Interest Receivable, Net	9.2%	21.1%	21.2%	8.9%	36.7%	23.3%	22.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inventory	0.9%	0.3%	0.6%	2.9%	13.9%	20.3%	14.2%	15.1%	5.3%	5.3%	5.3%	5.3%	5.3%
Prepaid Expenses and Other Assets	0.0%	6.6%	6.5%	6.4%	20.2%	15.6%	13.7%	47.7%	16.7%	16.1%	16.0%	16.0%	15.4%
Deposits	18.5%	0.5%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid and Other Assets	3.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Land, At Cost	1778.6%	2050.9%	1707.7%	1750.8%	8050.2%	8883.3%	8776.4%	5494.2%	1917.9%	1699.6%	1695.8%	1691.6%	1721.8%
Construction in Progress	5.2%	17.6%	18.3%	22.2%	107.1%	89.0%	87.5%	56.2%	19.6%	0.0%	0.0%	0.0%	0.0%
Permanent Plantings	6.0%	114.4%	94.5%	97.2%	446.1%	518.6%	513.3%	313.6%	109.5%	97.0%	96.8%	96.5%	98.3%
Drainage Improvements	15.3%	21.6%	21.9%	23.7%	108.8%	119.9%	120.6%	76.3%	26.6%	23.6%	23.5%	23.5%	23.9%
Grain Facilities	22.1%	24.8%	21.7%	22.6%	103.8%	115.0%	114.0%	72.8%	25.4%	22.5%	22.5%	22.4%	22.8%
Irrigation Improvements	51.6%	111.8%	95.3%	100.6%	466.1%	511.5%	507.7%	324.3%	113.2%	100.3%	100.1%	99.9%	101.6%
Groundwater	38.5%	26.2%	20.5%	21.4%	98.5%	97.1%	96.3%	69.1%	24.1%	21.4%	21.3%	21.3%	21.6%
Real Estate, At Cost - Other	0.0%	0.0%	1962.1%	2006.1%	9215.9%	10138.2%	10003.1%	6254.0%	2183.1%	1897.1%	1871.0%	1842.9%	1863.2%
Other Real Estate, At Cost	9.4%	17.8%	14.6%	14.6%	67.3%	76.2%	75.7%	47.1%	16.4%	14.6%	14.5%	14.5%	14.8%
Right of Use Assets	0.0%	0.0%	0.0%	0.1%	1.7%	1.5%	1.2%	0.4%	0.1%	0.1%	0.2%	0.2%	0.2%
Accumulated Depreciation	-10.4%	-22.3%	-32.5%	-47.2%	-233.5%	-274.0%	-289.7%	-200.0%	-69.8%	-82.0%	-103.6%	-126.9%	-141.8%
Deferred offering Costs	0.7%	0.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred Financing Fees, Net	0.0%	0.8%	0.5%	0.3%	1.3%	1.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Assets	2114.5%	2523.0%	2032.3%	2058.4%	9467.4%	10338.7%	10183.0%	6627.1%	2313.4%	2240.5%	2441.6%	2647.7%	2650.9%
Accrued Expenses	14.7%	6.1%	6.4%	11.0%	37.5%	46.3%	70.6%	79.2%	27.6%	27.6%	27.6%	27.6%	27.6%
Accrued Interest	5.0%	6.9%	7.7%	5.8%	29.3%	33.8%	30.4%	67.9%	23.7%	23.7%	23.7%	23.7%	23.7%
Accrued Property Taxes	4.0%	3.4%	3.0%	3.5%	20.7%	19.3%	24.9%	37.6%	13.1%	13.1%	13.1%	13.1%	13.1%
Derivative Liability	0.0%	0.0%	1.5%	3.1%	27.7%	33.5%	30.0%	15.9%	5.5%	5.5%	5.5%	5.5%	5.5%
Lease Liability	0.0%	0.0%	0.0%	0.1%	1.7%	1.5%	1.2%	0.9%	0.3%	0.3%	0.3%	0.3%	0.3%
Dividends & Distributions Payable	9.5%	10.5%	3.0%	3.0%	13.7%	15.1%	14.6%	9.5%	3.3%	3.2%	3.4%	3.7%	3.7%
Mortgage Notes and Bonds Payable	996.0%	1112.3%	933.9%	954.8%	4388.7%	4856.0%	4794.7%	3069.2%	1071.4%	1029.4%	1113.7%	1204.6%	1201.9%
Deferred Revenue	3.2%	8.5%	0.4%	0.1%	87.4%	19.3%	0.5%	10.5%	3.7%	3.7%	3.7%	3.7%	3.7%
Total Liabilities													
Minority Interest	173.2%	100.6%	79.7%	35.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Minority Interest	386.8%	260.7%	214.9%	225.0%	1011.8%	1129.2%	1128.2%	712.6%	248.8%	239.0%	258.5%	279.6%	279.0%
Preferred Stock Convertible	0.0%	312.0%	256.4%	266.7%	1217.9%	1329.0%	1318.0%	838.7%	292.8%	281.3%	304.3%	329.1%	328.3%
Common Stock - Par Value	0.6%	0.7%	0.5%	0.5%	2.5%	2.7%	2.7%	1.7%	0.6%	0.6%	0.6%	0.6%	0.6%

Additional Paid in Capital	555.1%	757.6%	593.9%	631.7%	2896.6%	3195.4%	3140.7%	1980.2%	691.3%	660.8%	711.2%	765.4%	759.8%
Other Comprehensive Income	0.0%	0.0%	-1.5%	-3.1%	-27.7%	-32.1%	-26.9%	-17.1%	-6.0%	-5.7%	-6.2%	-6.7%	-6.7%
Retained Earnings (Deficit)	13.2%	11.2%	8.7%	11.7%	30.3%	5.7%	-18.2%	37.9%	13.2%	42.5%	85.9%	143.9%	190.5%
Distributions in Excess of Earnings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cumulative Dividends	-46.7%	-67.5%	-76.1%	-91.1%	-431.6%	-492.3%	-501.9%	-328.1%	-114.5%	-121.6%	-143.9%	-189.8%	-223.5%
Total Shareholders Equity	1082.3%	1375.4%	1076.4%	1077.1%	4860.8%	5313.9%	5216.1%	3336.5%	1164.7%	1133.9%	1250.5%	1365.4%	1371.3%
Total Liabilities & Shareholders Equity	2114.5%	2523.0%	2032.3%	2058.4%	9467.4%	10338.7%	10183.0%	6627.1%	2313.4%	2240.5%	2441.6%	2647.7%	2650.9%

SELECTED COMMON SIZE BALANCE SHEET (% of total assets)

					2020								
	2016 A	2017 A	2018 A	2019 A	31-Mar A	30-Jun A	30-Sep A	31-Dec E	2020 E	2021 E	2022 E	2023 E	2024 E
Cash	7.2%	4.6%	1.5%	1.1%	1.4%	1.1%	0.7%	4.2%	4.2%	13.9%	22.1%	29.2%	28.5%
Accounts Receivable, Net	0.6%	0.6%	0.5%	0.5%	0.5%	0.3%	0.6%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%
Notes and Interest Receivable, Net	0.4%	0.8%	1.0%	0.4%	0.4%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Inventory	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Prepaid Expenses and Other Assets	0.0%	0.3%	0.3%	0.3%	0.2%	0.2%	0.1%	0.7%	0.7%	0.7%	0.7%	0.6%	0.6%
Deposits	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Prepaid and Other Assets	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Land, At Cost	84.1%	81.3%	84.0%	85.1%	85.0%	85.9%	86.2%	82.9%	82.9%	75.9%	69.5%	63.9%	64.9%
Construction in Progress	0.2%	0.7%	0.9%	1.1%	1.1%	0.9%	0.9%	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%
Permanent Plantings	0.3%	4.5%	4.7%	4.7%	4.7%	5.0%	5.0%	4.7%	4.7%	4.3%	4.0%	3.6%	3.7%
Drainage Improvements	0.7%	0.9%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%
Grain Facilities	1.0%	1.0%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	0.9%	0.8%	0.9%
Irrigation Improvements	2.4%	4.4%	4.7%	4.9%	4.9%	4.9%	5.0%	4.9%	4.9%	4.5%	4.1%	3.8%	3.8%
Groundwater	1.8%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.0%	0.9%	0.8%	0.8%
Real Estate, At Cost - Other	0.0%	0.0%	96.5%	97.5%	97.3%	98.1%	98.2%	94.4%	94.4%	84.7%	76.6%	69.6%	70.3%
Other Real Estate, At Cost	0.4%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.6%	0.5%	0.6%
Right of Use Assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accumulated Depreciation	-0.5%	-0.9%	-1.6%	-2.3%	-2.5%	-2.6%	-2.8%	-3.0%	-3.0%	-3.7%	-4.2%	-4.8%	-5.3%
Deferred offering Costs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred Financing Fees, Net	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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