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CONTACT:

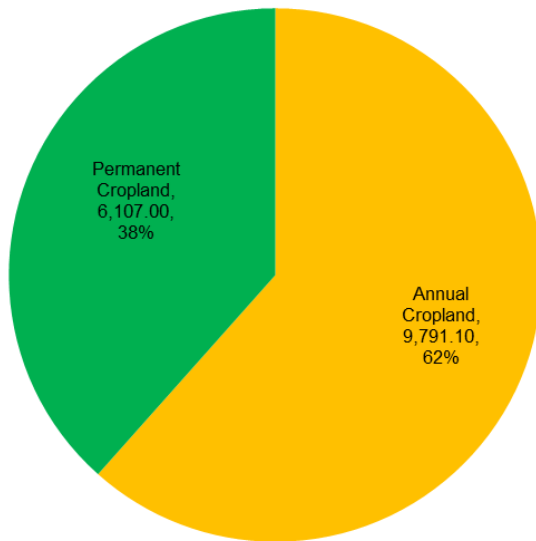
Dan Dierking 312-819-5890

NCREIF Total Farmland Index Posts Seventh Consecutive Quarter of Record Value

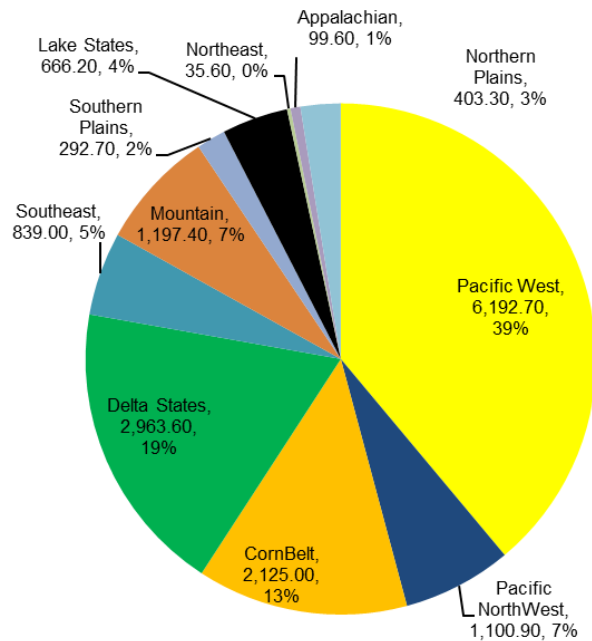
The National Council of Real Estate Investment Fiduciaries (“NCREIF”) released the NCREIF Farmland Index’s (“NFI”) results for Q1 2023. The number of properties in the NFI increased by 9 in Q1 2023 bringing the total property count to 1,327, and the NFI’s market value reached a new record of \$15.9 billion. At the end of Q1 2023, the NFI was comprised of \$9.8 billion (62%) of annual cropland and \$6.1 billion (38%) of permanent cropland. Directly operated permanent crop properties represented \$4.6 billion (29%) of the NFI, while leased cropland properties accounted for \$1.5 billion (10%).

Regionally, the Pacific West (39%), Delta States (19%), and Corn Belt (13%) comprised over 70% of the NFI, collectively. The other 29% is represented by the Mountain (8%), Pacific Northwest (7%), Southeast (5%), Lake States (4%), Northern Plains (3%), Southern Plains (2%), Appalachian (1%), and Northeast (<1%).

**NCREIF Farmland Index (\$ Millions)
3/31/2023**



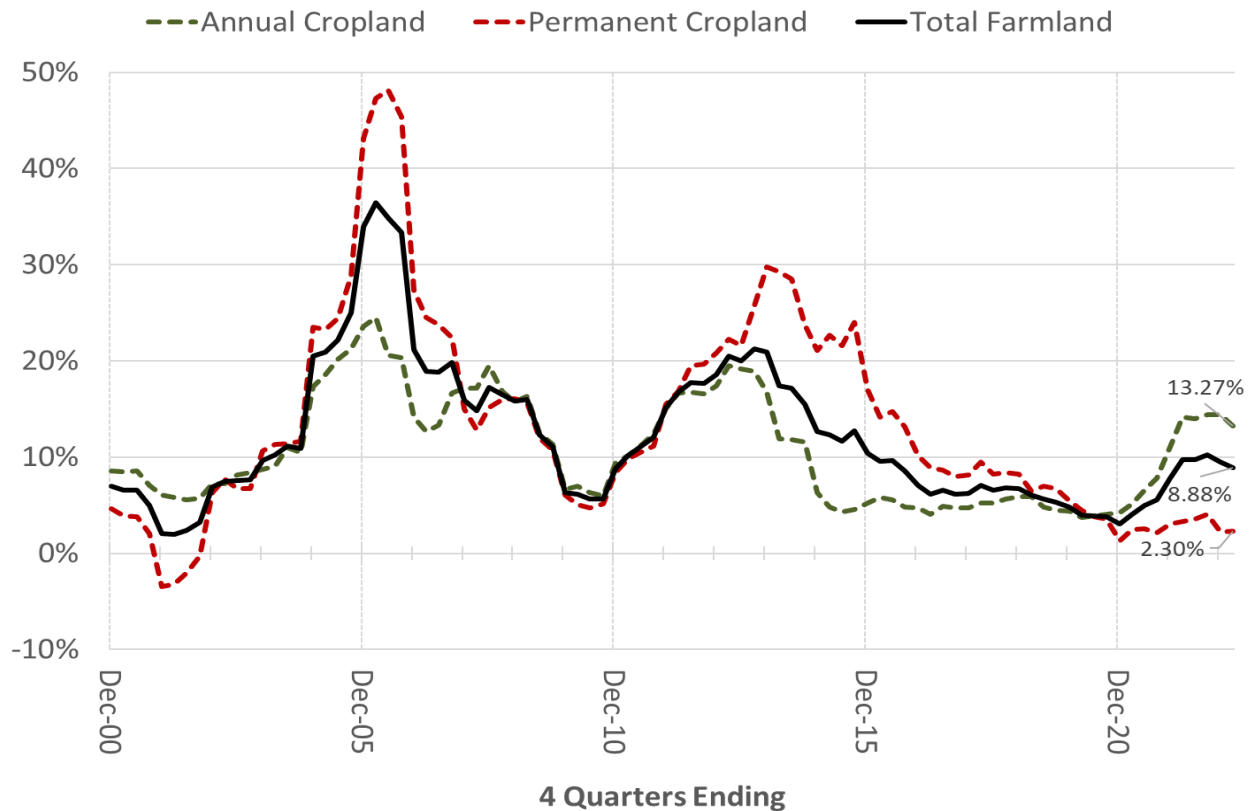
NCREIF Farmland Index (\$ Millions)



NCREIF Farmland Index

In Q1 2023, the NFI reported strong quarterly performance, however performance was cooler than Q1 2022. Over the prior four quarters, the NFI's cumulative total return was 8.88%, resulting from an income return of 3.36% and appreciation of 5.39%. Annual cropland's rolling 4-quarter return was 13.27%, which was 116 basis points less than the Q1 2023 rolling 4-quarter return. Permanent cropland strengthened slightly, posting another positive quarter of total return, reporting a rolling 4-quarter total return of 2.30%.

Rolling 4-Quarter Total Returns

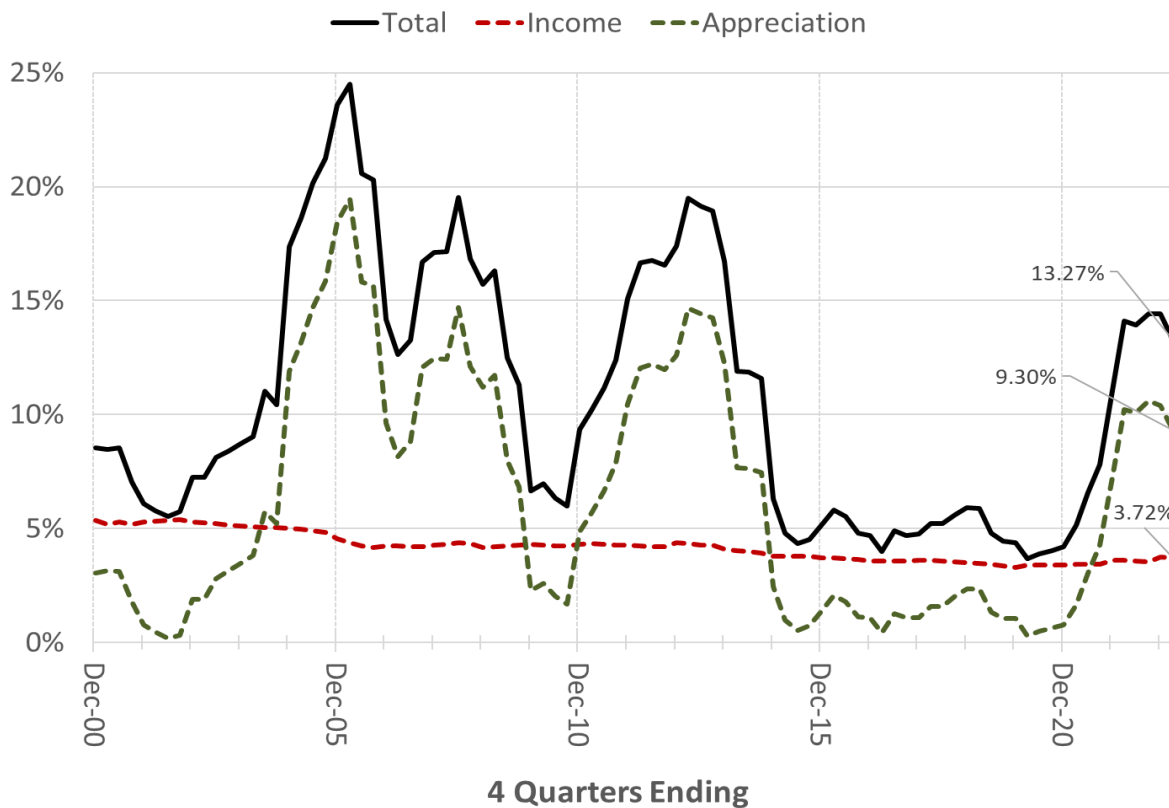


Annual Cropland Subindex

Over the past four quarters, the annual cropland sub-index generated an income return of 3.72% and appreciation of 9.30%, resulting in a total return of 13.27% which was slightly lower than last quarter's annual return of 14.43%.

- From a regional standpoint, **Total returns** over the past four quarters ranged from 22.86% in the Corn Belt to 7.63% in the Pacific Northwest region. The Corn Belt, Lake States, Delta States, Mountain, and Southeast all reported rolling 4-quarter total returns exceeding 10%.
- **Income returns** for the past four quarters ranged from 4.55% in the Southern Plains to 3.28% in the Delta States. As shown in the chart below, the income returns for annual cropland have been stable for 20 years despite varying rates of appreciation.
- **Appreciation returns** in the past four quarters ranged from a high of 18.82% in the Corn Belt to a low of 3.35% in the Pacific Northwest. The highest appreciation returns in Q1 2023 remained experienced in the Corn Belt (3.94%) but there was a considerably wider distribution of strong appreciation. In addition to the Corn Belt, the Pacific Northwest, Delta States, Southeast, Mountain, and Southern Plains all exhibited greater than 2% appreciation for the quarter.

Rolling 4-Quarter Annual Cropland Returns

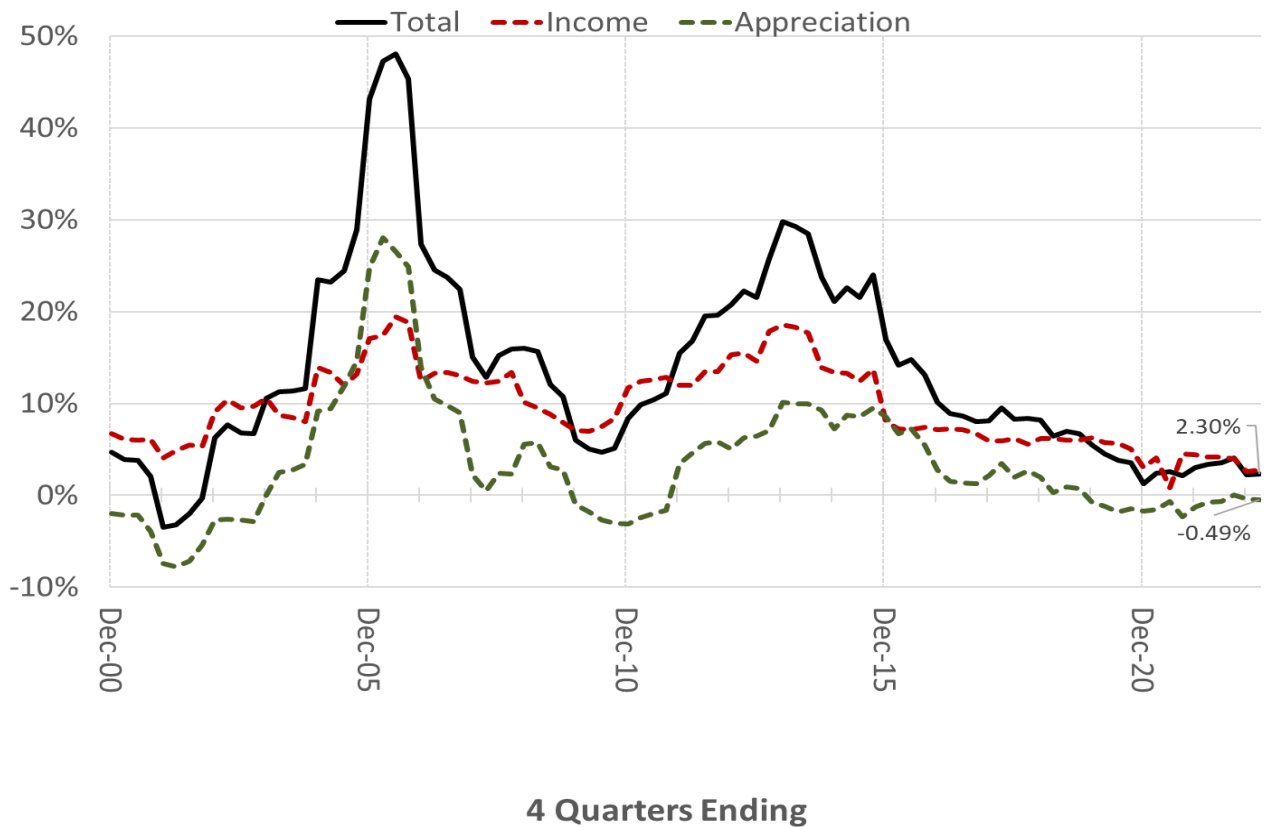


Permanent Cropland Subindex

As of Q1 2023, the permanent cropland sub-index reported a rolling 4-quarter income return of 2.80 % and appreciation of -0.49%, resulting in a total return of 2.30%. Q1 2023 is the lowest rolling 4-quarter ending in March total return since Q1 2002's return of -3.20%. The chart below demonstrates permanent crop returns have experienced periods of significantly higher and lower returns as compared to the annual cropland sub-index.

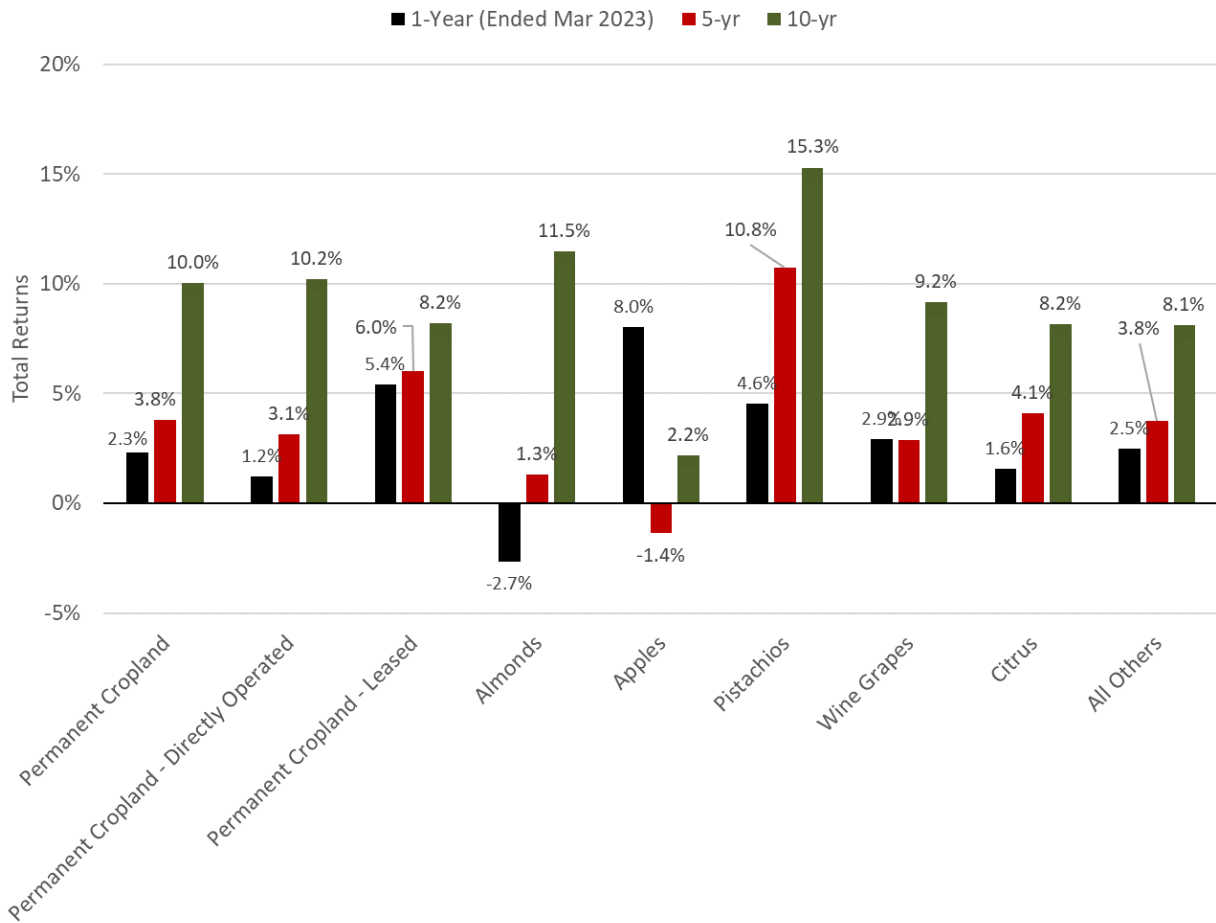
It is worth noting that the composition of the permanent cropland sub-index has evolved over time. In Q1 2006, nearly two-thirds of permanent cropland sub-index was concentrated in two crop types by market value - Almonds (37%) and Citrus (23%). Today, those two crop types only represent 25% of the permanent cropland sub-index by market value with Almonds at 19% and Citrus at only 7%. The permanent cropland sub-index is much more diversified with broader representation from Wine Grapes (36%), Pistachios (19%), and Apples (6%) all significantly contributing to the index.

Rolling 4-Quarter Permanent Cropland Returns



Permanent Cropland Commodities and Management Types

Among permanent cropland properties, apples accounted for the highest return over the prior 4 quarters at 8.04% while almonds accounted for the lowest return, -2.66%. The rolling 4-quarter returns for most major permanent crop categories continue to lag their 5-year and 10-year returns. The rolling 4-quarter performance of leased permanent cropland exceeded the performance of directly operated permanent crops by 421 basis points, with the outperformance primarily a result of higher income returns.



The NCREIF Farmland Index includes data provided by the following firms: PGIM, Manulife Investment Management, Nuveen Natural Capital, UBS Farmland Investors LLC, Gladstone Land Corporation, US Agriculture, and Farmland Opportunity.

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