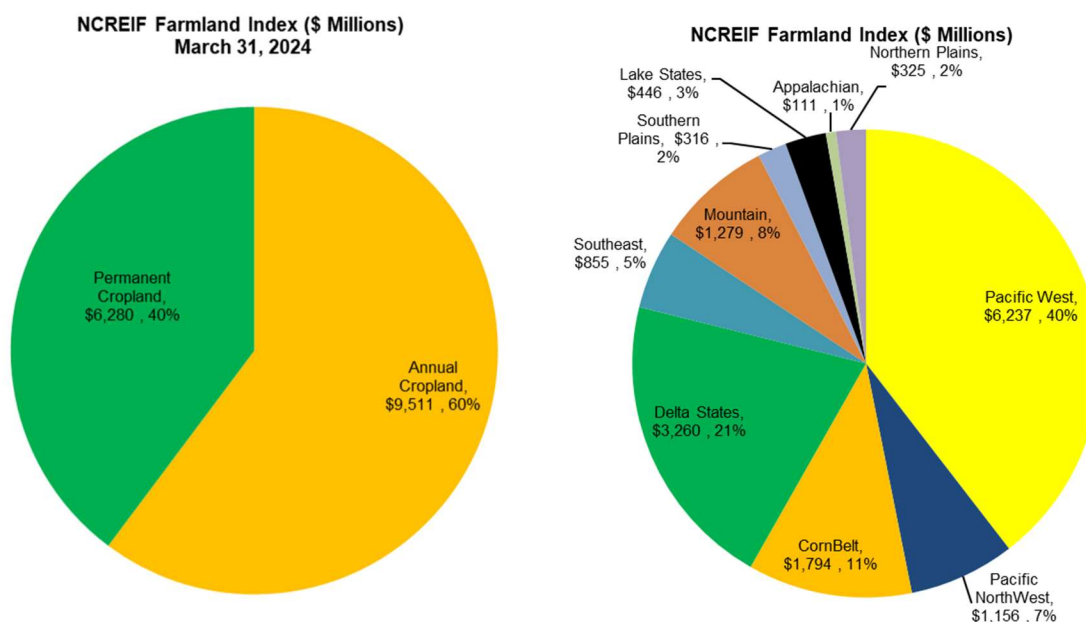


NCREIF Total Farmland continues to generate positive returns in Q1 2024

The National Council of Real Estate Investment Fiduciaries (“NCREIF”) released the NCREIF Farmland Index’s (“NFI”) results for Q1 2024. The number of properties in the NFI decreased by 344 in Q1 2024 bringing the total property count to 995. The NFI’s market value decreased over the quarter by \$764 million resulting in a market value of \$15.79 billion. The decline in properties and market value is a result of a contributor leaving the index and is not indicative of farmland performance during the quarter. At the end of Q1 2024, the NFI was comprised of \$9.5 billion (60%) of annual cropland and \$6.3 billion (40%) of permanent cropland. Directly operated permanent crop properties represented \$4.6 billion (29%) of the NFI, while leased permanent cropland properties accounted for \$1.7 billion (11%).

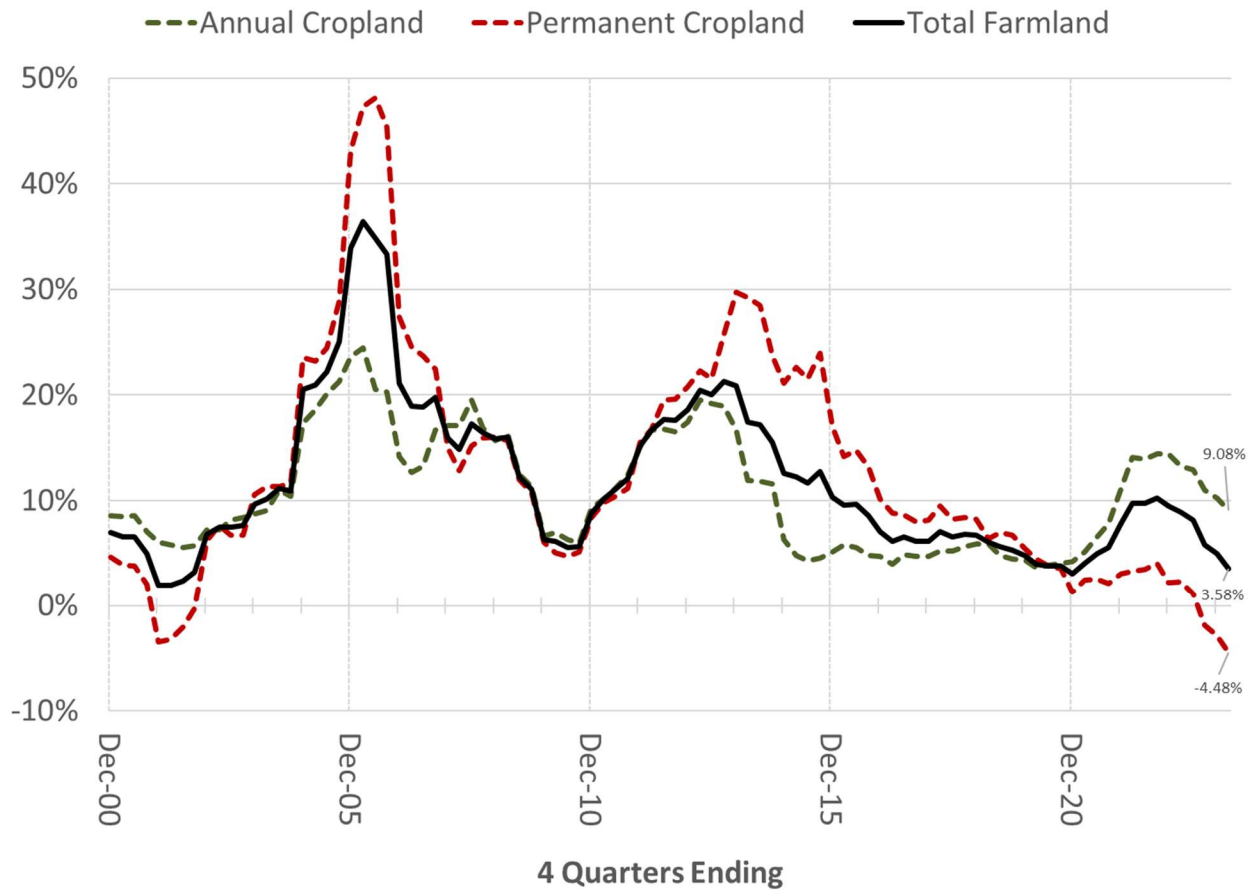
Regionally, the Pacific West (40%), Delta States (21%), and Corn Belt (11%) comprised 72% of the NFI, collectively. The other 28% is represented by the Mountain (8%), Pacific Northwest (7%), Southeast (5%), Lake States (3%), Northern Plains (2%), Southern Plains (2%), and Appalachian (1%).



NCREIF Farmland Index

In Q1 2024, the NFI reported positive quarterly returns driven by Annual cropland offsetting another negative quarter in Permanent cropland. Over the prior four quarters, the NFI’s cumulative total return was 3.58%, resulting from an income return of 2.95% and an appreciation return of 0.62%. Annual cropland’s rolling 4-quarter return was 9.08%. Permanent cropland’s rolling 4-quarter returns were negative once again at -4.48% due to negative appreciation of -6.82% offsetting a positive income return of 2.46%.

Rolling 4-Quarter Total Returns



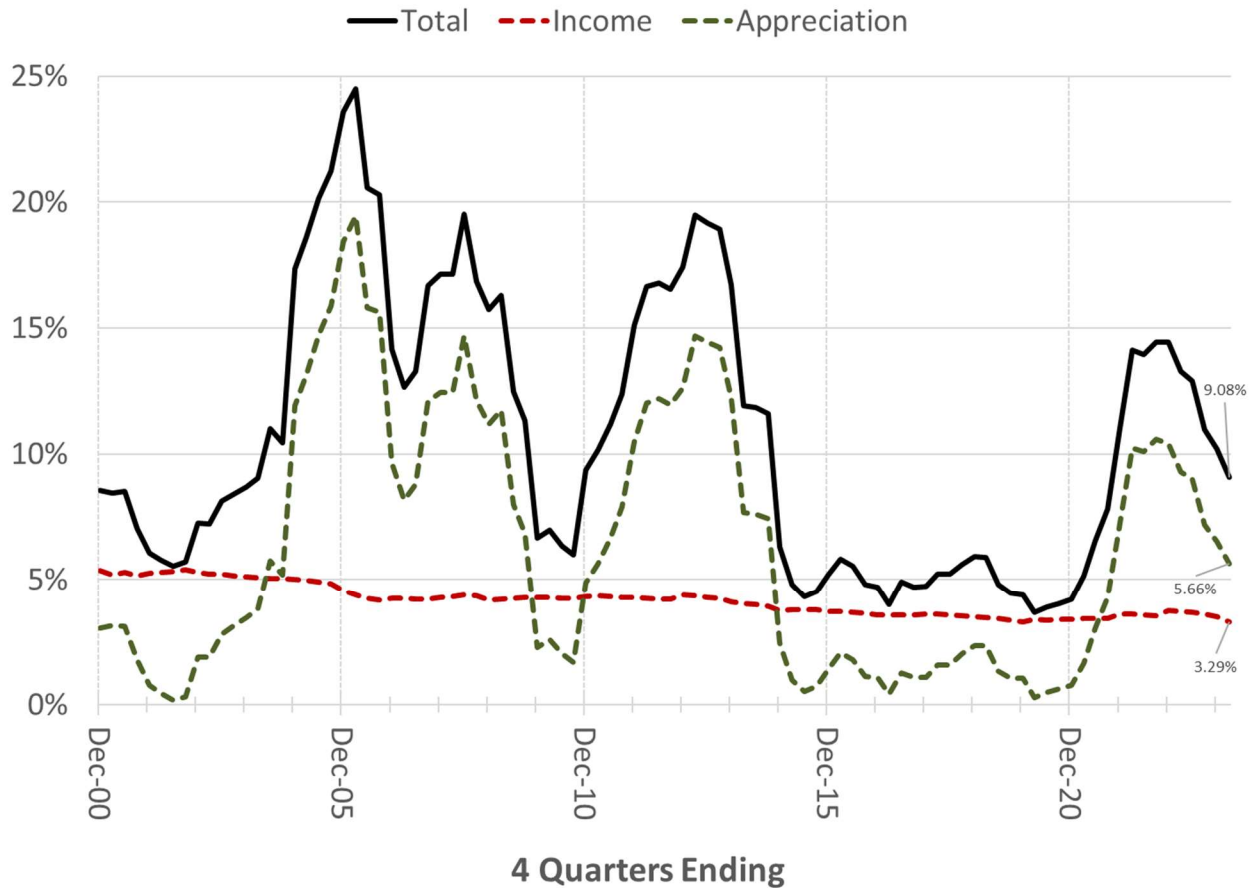
Annual Cropland Subindex

Over the past four quarters, the annual cropland sub-index generated an income return of 3.29% and appreciation of 5.66%, resulting in a total return of 9.08% which was slightly lower than last quarter's annual return of 10.21%.

- From a regional standpoint, **Total returns** over the past four quarters ranged from 13.18% in the Mountain Region to -0.37% in the Pacific West region. The Lake States, Delta States, Southeast, and Mountain all reported rolling 4-quarter total returns exceeding 9.0%.
- **Income returns** for the past four quarters ranged from 4.52% in the Southern Plains to 2.76% in the Corn Belt. 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 9.30% in the Mountain region to a low of -4.06% in the Pacific West. The highest appreciation returns in Q1 2024 were experienced in the Pacific Northwest (3.27%) with the Pacific West exhibiting negative appreciation of -1.01%.

Rolling 4-Quarter Annual Cropland Returns

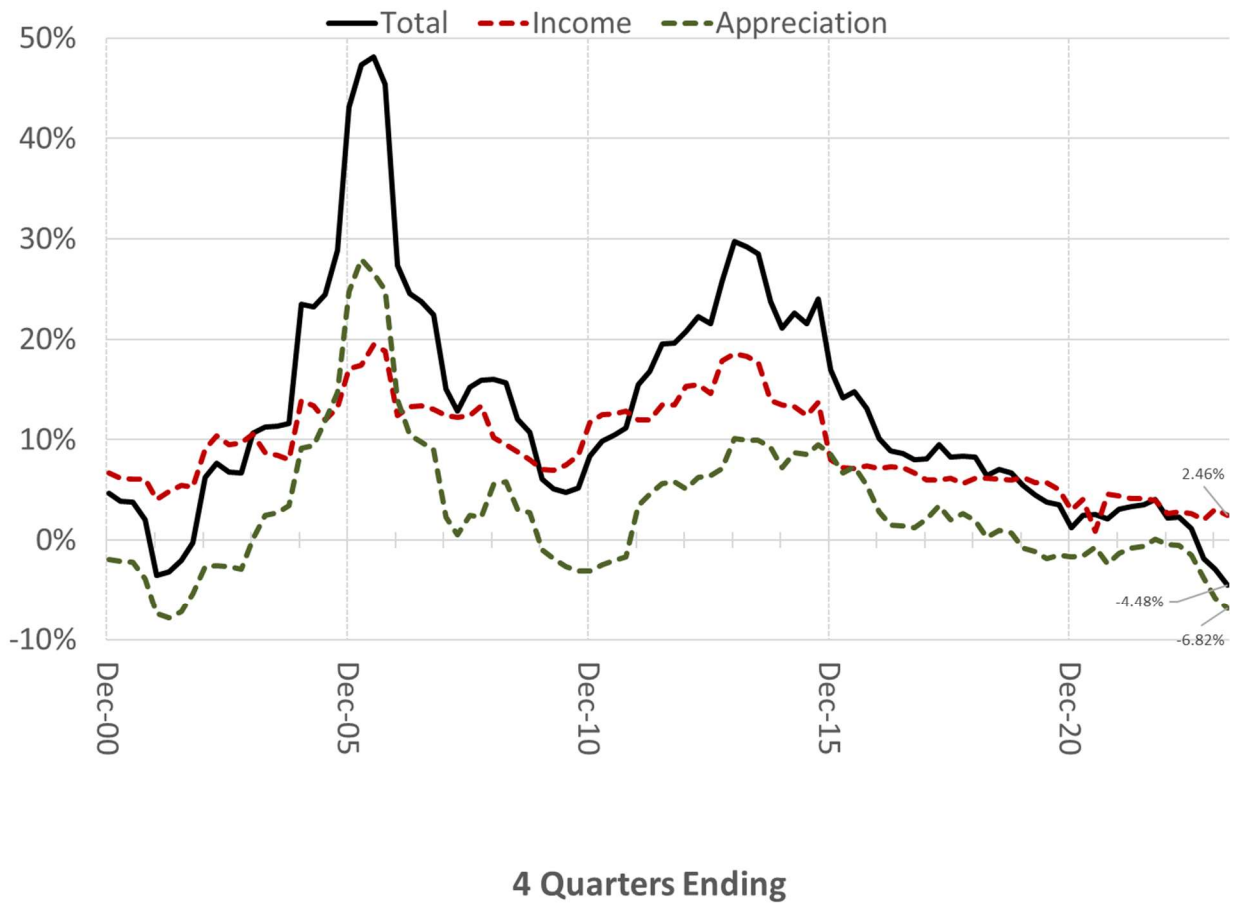


Permanent Cropland Subindex

As of Q1 2024, the permanent cropland sub-index reported a rolling 4-quarter income return of 2.46% and an appreciation return of -6.82%, resulting in a total return of -4.48%. The chart below demonstrates permanent crop returns have experienced periods of significantly higher and lower returns as compared to the annual cropland sub-index.

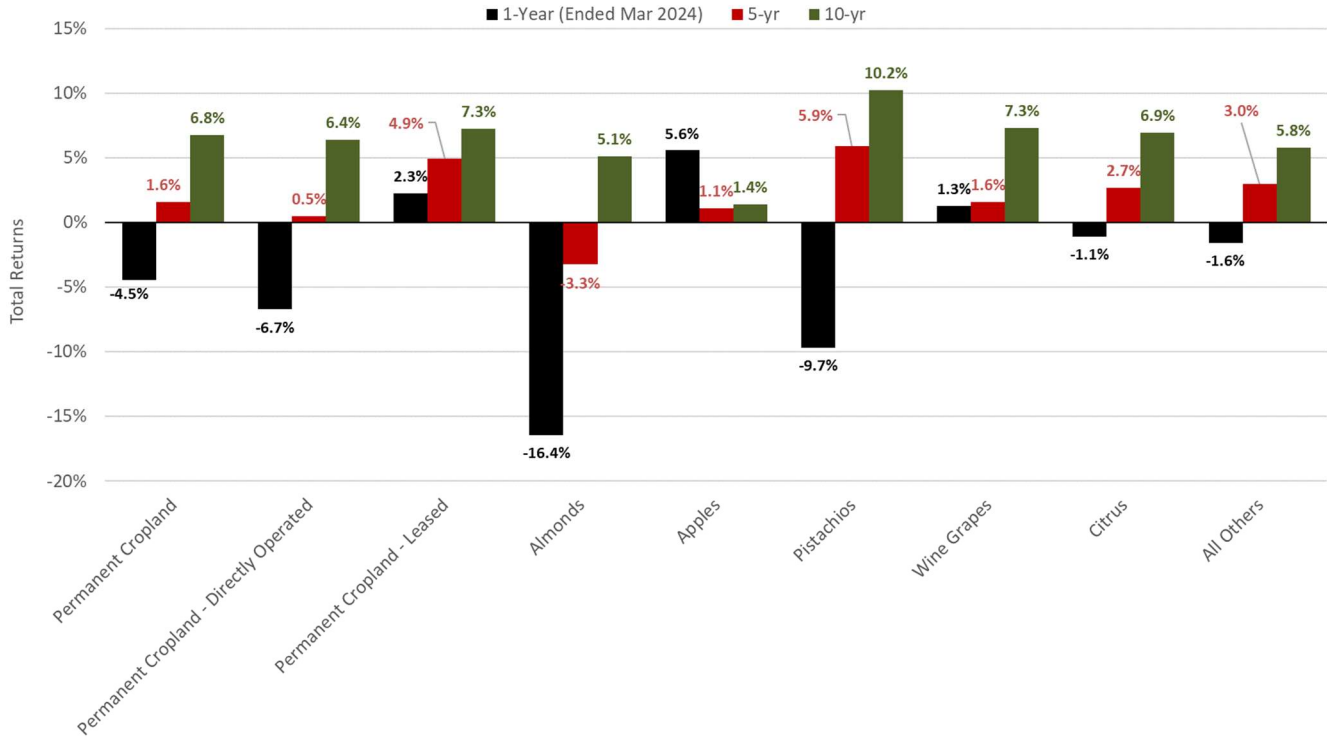
It is worth noting that the composition of the permanent cropland sub-index has evolved over time. In Q4 2005, 60% of permanent cropland sub-index was concentrated in two crop types by market value - Almonds (36%) and Citrus (24%). Today, those two crop types only represent 25% of the permanent cropland sub-index by market value with Almonds at 17% and Citrus at only 8%. The permanent cropland sub-index is much more diversified with broader representation from Wine Grapes (36%), Pistachios (17%), and Apples (7%) 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 5.6% while almonds accounted for the lowest return, -16.4%. The rolling 4-quarter returns for almost all the 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 9.0%, with the outperformance primarily a result of crop pricing headwinds across the tree nut complex (almonds/pistachios).



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, and US Agriculture.