USAgriculture
FARMLAND INVESTMENTS

2024 Annual Review and 2025 Outlook

2024 in Review: Introduction

Farmland has historically generated small, yet generally positive returns during challenging times. Its resilience stems from its distinctive characteristics and sets it apart from other asset classes. In the last fifty years, other asset classes have endured substantial losses in certain years: stocks plummeted by 36% in 2008, bonds dropped by 15% in 2022, real estate fell by 12% in 2008, and gold declined by 33% in 1981.[1] Conversely, farmland has recorded only three years of negative returns, with the largest loss being 5% in 1985.[2]

Farmland returns softened in 2024 due to declining profitability. Input costs remained elevated despite waning inflation, and strong agricultural production caused sharp declines in prices for many commodity crops. At a national level, net farm income declined by 6%, helped by surging profits in the livestock sector.[3] Crop sector profits declined by 20-30% in 2024, representing some of the lowest levels in real terms in 20 years.[4] Despite a difficult operating environment, farmland produced relatively stable investment returns. The NCREIF Annual Cropland Subindex reported a total return of 5.7% in 2024, while the NCREIF Total Farmland Index, representing a broadly diversified farmland portfolio with 40% permanent cropland, reported a total return of -1.0% - its first negative annual total return in +30 years.[5]

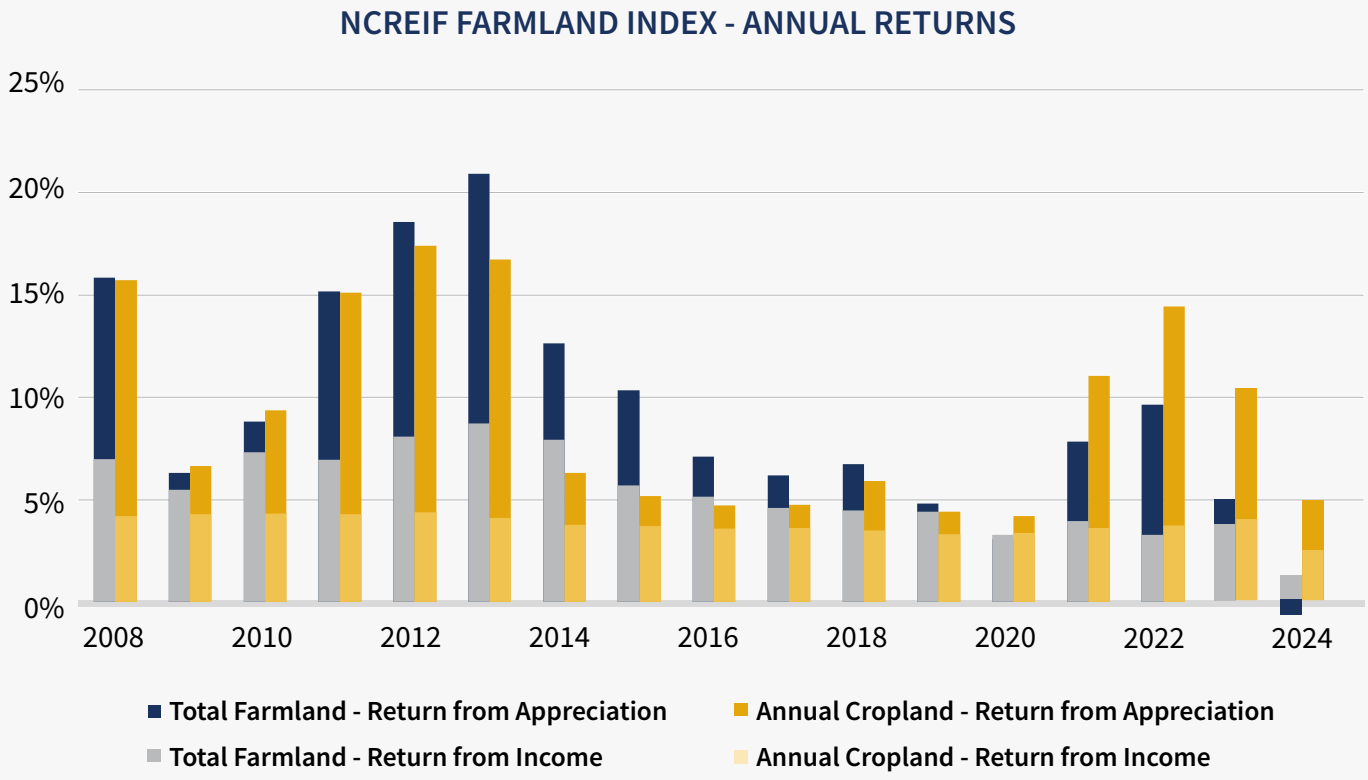

Figure 1

Prepared by US Agriculture, LLC | Qualified Purchasers Only

[1] Historical Returns on Stocks, Bonds and Bills: 1928-2024; https://www.stern.nyu.edu/~adamodar/pc/datasets/histretSP.xls
[2] US Agriculture calculations using annual data from: 2022-2024 – NCREIF Farmland Property Index, National Council of Real Estate Investment Fiduciaries. 1972 – 2021 – University of Illinois TIAA Center for Farmland Research. https://farmland.illinois.edu/wp-content/uploads/2021/08/ Farmland-Values-and Returns-by-State-Center21.xlsm
[3] USDA, Economic Research Service, Farm Income and Wealth Statistics; data as of February 6, 2025.
[4] Ibid.
[5] NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries. The NCREIF Farmland Property Index began in 1991.

Farmland is finite, tangible, and it produces daily essentials. These fundamental qualities support stable land values and provide utility in a variety of economic environments. Paired with long-term secular tailwinds, they also support strong farmland returns over the long-term and help to explain why farmland has historically produced strong risk-adjusted returns as compared to other asset classes.

Our investment approach is practical and long-term oriented. We build diversified farmland portfolios, work with best-in-class operators, are selective in what specific crops we invest in, and have a nationwide team which enables us to allocate opportunistically across the entire country. Each aspect of our approach is intentional and adds value to the investment process and to portfolios. As shown in *Figure 2*, the best farmers generally produce superior financial results, and they also tend to be the most proactive, adaptable, and forward-thinking stewards of the land. Additionally, each region of the world possesses unique combinations of resources that determine what crops can be grown. The natural resources present in America enable USAgriculture to build diversified farmland portfolios without taking additional risk associated with investing in other countries. So, we focus on crops the U.S. produces at a relative advantage, and because our team, network, and asset base spans the entire country, we have the capability to be tactical and to deploy resources into whichever region, crop or individual investment opportunity provides the best risk-adjusted return at any given time.

USAGRICULTURE'S FARMLAND INVESTMENT APPROACH

Tenet	Benefit
Regional diversification	diversified exposure to crops, lease structures, tenants, and climate helps stabilize returns
Selective	focusing on crops produced at a relative advantage or on land with ability for diverse cropping rotations reduces risk
Work with best-in-class operators	reduces risk and provides enhanced land stewardship, profit, and growth orientation
Nationwide team	expands opportunity set and ability to invest on a risk-adjusted basis
Long-term perspective	attracts farmers seeking a long-term capital partner; positions investors to capture sustainable investment returns and portfolio benefits
U.S. centric	provides diversity of natural resources and production capabilities without taking additional foreign exchange and sovereign risk

Figure 3

DISPARITY IN FARMER PROFITABILITY
(AVERAGE '14-'23)

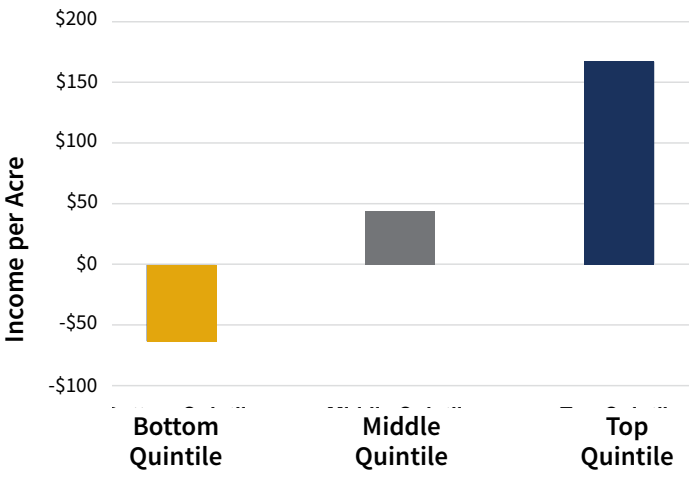

Figure 2

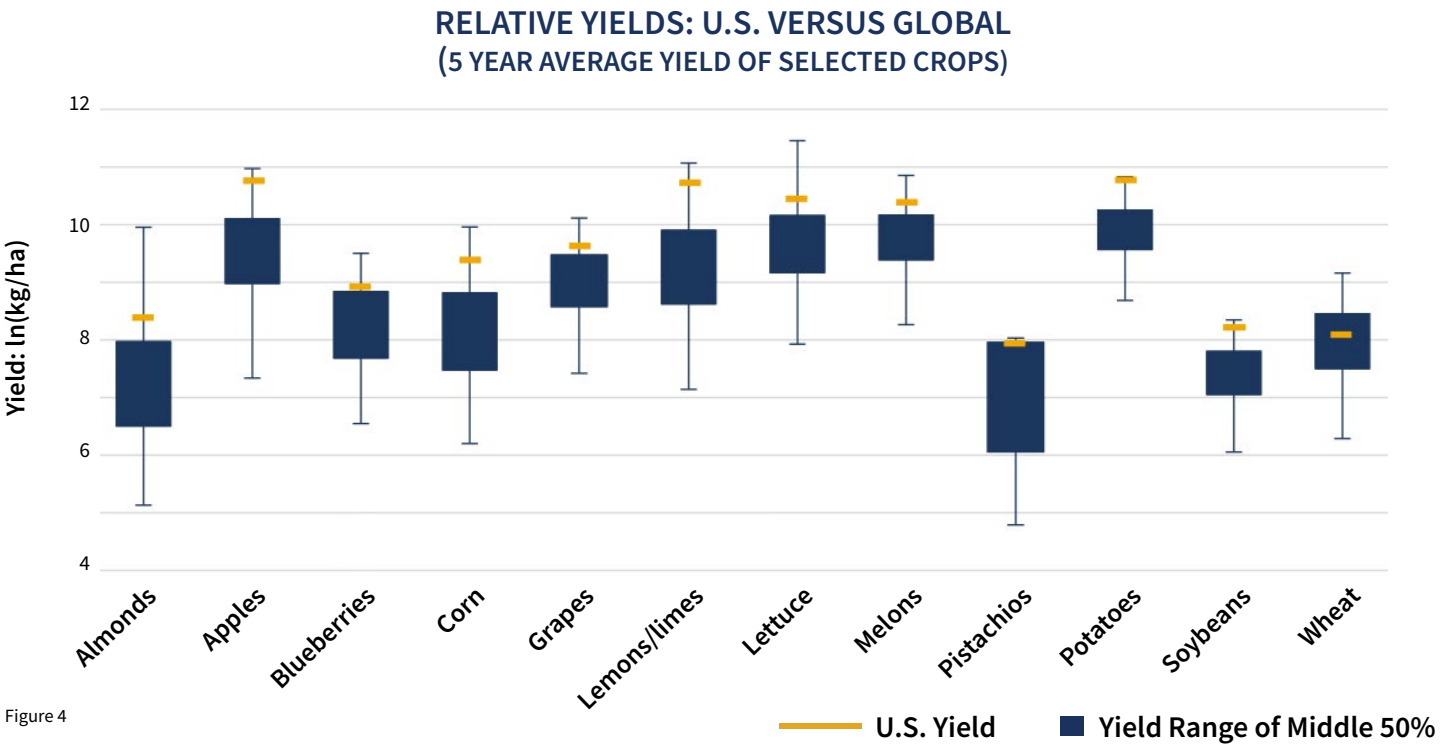

Figure 4

Executing our strategy is easier said than done. It demands a team with deep agricultural knowledge, capable of understanding farmers and their challenges, and united by a shared vision: to generate enduring value for our investors. Fortunately, USAgriculture embodies these qualities. Building on a successful 2024, we're poised for continued growth in 2025. Here are a few highlights from the past year:

1. reviewed +$1.3 billion of acquisition opportunities, acquiring ~3% of the properties we reviewed;
2. raised +$70MM from new investors, including two public pension plans;
3. expanded our vertical integration strategy to a second fresh fruit by acquiring an equity interest in a Washington-based packer;
4. promoted Kyle Maple to Director of Asset Management, Tracy Martin to Director of Accounting, and hired the firm's first Chief Operating Officer, Ben Crockett. These promotions and hire increase the team's capacity in operations, investments, and business development;
5. completed our third year of certification through Leading Harvest.

Agriculture experienced a difficult year in 2024, and profitability in the crop sector will be challenged in 2025 at current commodity prices. Weather and geopolitics are ever-present uncertainties. However, as surely as spring follows winter, agricultural production is cyclical. The cure for low prices is low prices, and prices for many crop inputs are declining. Inventories of some broad-acre commodities are historically low relative to demand, and acreage of some permanent cropland has been removed from production. For annual crops, this suggests incomes could recover sharply in the event of inclement weather or other production challenges. For some permanent crops, it indicates the cycle is reaching a bottom, and higher prices, farm incomes, and land values may be on the horizon. The following five sections provide a broader context of farmland's performance in 2024 before concluding with our outlook and focus for 2025.

Farm Sector Incomes

Net farm income reached $139 billion in 2024, a 6% decrease from 2023 and a 24% drop from the 2022 record. Despite the decline, 2024's real net farm income was approximately 11% above the 20-year average.[6]

Net farm income in 2024 surpassed USDA projections, primarily due to the livestock sector's strong performance. Cash receipts (otherwise known as revenues) generated by the livestock sector increased by over 8%, driven by robust demand and limited supply. Meanwhile, crop sector cash receipts declined by roughly 8% in 2024 due to lower crop prices resulting from strong global production. Consequently, farm businesses in the crop sector reported some of their lowest profits in 20 years, dropping by approximately 20-30% in 2024.[7]

Looking forward to 2025, the USDA projects net farm incomes will increase by approximately $41 billion, or 30%. The majority of this increase is attributable to the American Relief Act of 2025, which extended the 2018 Farm Bill to September 2025 and allocates approximately $21 billion in disaster relief payments and $10 billion in economic assistance payments to farmers.[8] Excluding federal government direct farm program payments, net farm incomes are projected to increase by approximately 6%, due in part to relatively stable cash receipts and declining expenses. The USDA's projections for net farm income in 2025 represent levels about 40% above the prior 20-year average in real terms and about 20% higher when excluding government payments related to the American Relief Act of 2025.

While the USDA forecasts the farm sector, as a whole, will be profitable in 2024, profitability varies considerably depending on the specific commodity. The USDA anticipates continued strength in the livestock sector but ongoing weakness in the crop sector.

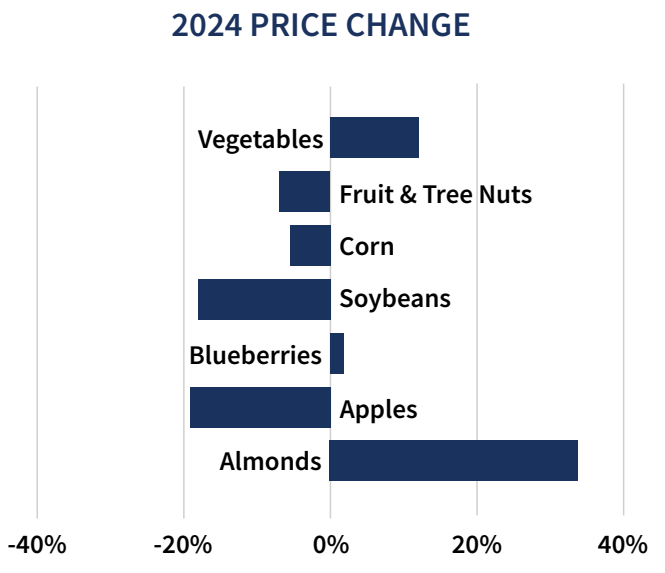

Figure 5

[6] https://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/farm-sector-income-forecast
[7] Ibid; USAgriculture analysis
[8] https://www.congress.gov/bill/118th-congress/house-bill/10545; https://farmdocdaily.illinois.edu/2025/01/impacts-of-economic-assistance-payments.html

Incomes by Crop Type

Annual and permanent cropland possess unique characteristics that can cause them to perform differently, leading to significant implications for investors. Recognizing these differences is essential for understanding the recent performance trends of these crop types and highlights the potential for realizing diversification benefits from investing in both annual and permanent cropland.

Crop Type Characteristics	Annual	Permanent
Lifespan of Plantings	< 1 Year	10-40+ Years
Plantings - Time to Maturity	< 1 Year	3-7 Years
Depreciable Assets % of Total Investment	< 5%	~30-60%
Labor Expense % of Variable Expenses	~5%	40-60%
20-Year Annualized Total Return	10.5%	11.7%
Return Mix: Income/Appreciation	35/65	70/30

Figure 6

Annual

The NCREIF Annual Cropland Subindex reported an annual income yield of 3.0% in 2024.[9] Over the past five years, the income yield for the NCREIF Annual Cropland Subindex ranged from 3.3% to 3.8%.[10] Annual cropland generally produces stable income yields because 1) it is typically passively leased to farmers and 2) it provides farmers with flexibility to make planting decisions annually based on short-term outlooks. Both points are in stark contrast to permanent cropland which tends to be operated by landowners and consists of plantings with 10-40 year lifespans.

USDA projections for 2025 illustrate the currently weak operating environment for the crop sector. This weakness stems from declining commodity prices and relatively stable input prices compared to those observed since mid-2023, which can be seen in Figure 7. From a U.S. perspective, corn and soybeans significantly influence the performance of annual cropland, as they account for over 50% of U.S. crop receipts. Currently, corn and soybean prices (approximately $4.50 and $10 per bushel, respectively) are at or below breakeven costs.[11]

Short-term outlooks in agriculture are highly uncertain because annual demand is relatively stable, making prices highly sensitive to production, which is subject to volatile weather. Stocks-to-use ratios, which measure commodity inventories relative to demand, serve as indicators of: 1) potential price direction and volatility, and 2) evolving supply and demand fundamentals.

COMMODITY PRICES, INPUTS, AND INFLATION
(INDEXED; 2021 VALUES = 100)

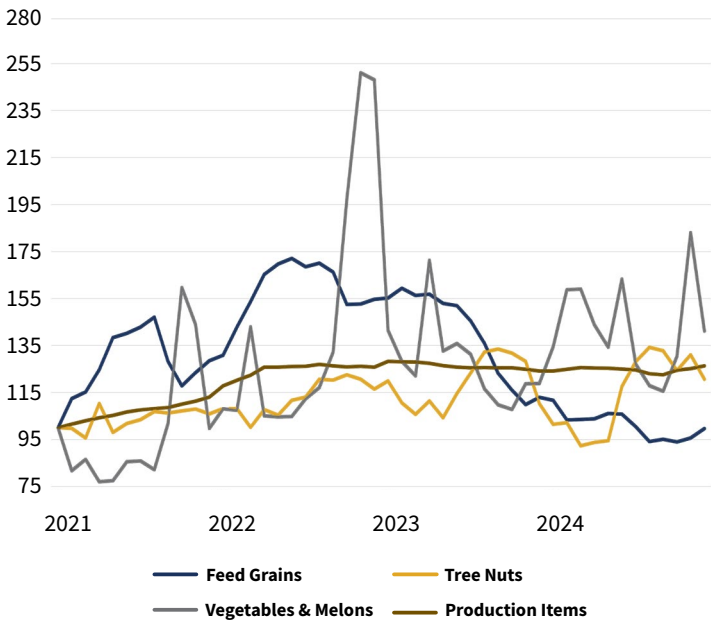

Figure 7

[9] NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.
[10] Ibid.
[11] https://farmdocdaily.illinois.edu/2025/01/revised-2025-crop-budgets.html

Consider the stocks-to-use ratio for corn, shown in *Figure 8*, as an example. This ratio is currently near historical lows. One might argue this is not the case by pointing to the low global stocks-to-use ratios from 2005-2012; however, that period was exceptionally unique due to the emergence of ethanol as a mandated replacement for MTBE, an oxygenate in gasoline, creating a new, incremental demand source.[12] The implication of corn's low stocks-to-use ratio today is that prices and incomes could rebound quickly if production is weak in the coming year. When stocks-to-use ratios are low, prices are more likely to increase; conversely, when ratios are high, prices are more prone to decline.

The second observation from *Figure 8* is that corn production is not keeping pace with demand, as evidenced by the steadily declining stocks-to-use ratio over the last decade. This trend highlights a long-term thesis for investing in farmland: that land, a static and finite resource, will be required to produce more in response to rising global populations, increasing incomes, and evolving dietary habits. Over the past decade, global demand growth for corn outpaced production growth by approximately 65%, despite higher yields and nearly 35 million additional harvested acres.[13] Moreover, livestock feed was the primary driver of demand growth, accounting for over 70% of the increase. Dietary habits will continue to evolve, and the data supports the propensity for humans to consume more protein as incomes rise and economies develop.[14]

Current commodity prices yield weak income projections for the crop sector in 2025. However, incomes could respond quickly to weak production, and there is evidence the long-term thesis underpinning investment in annual cropland is well intact and materializing.

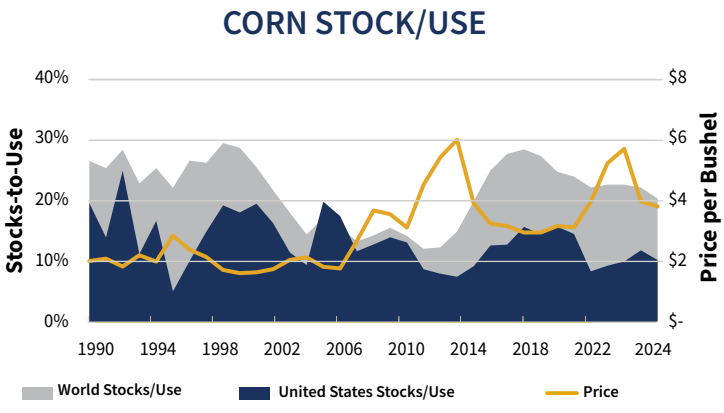

Figure 8

[12] https://archive.epa.gov/mtbe/web/html/gas.html
[13] https://apps.fas.usda.gov/psdonline/app/index.html#/app/advQuery
[14] Ibid. USAgriculture analysis

Permanent

The NCREIF Permanent Cropland Subindex reported an annual income yield of 1.7% in 2024, its lowest recorded annual income yield since the NCREIF Farmland Index's inception in 1991.[15] Income generation from permanent cropland became particularly strained in 2020 with rising inflation. Since then, permanent cropland has produced annualized income yields of 3.0%, atypically low compared to 1) income yields produced by annual cropland and 2) historical income yields produced by permanent cropland, which averaged 9% on an annualized basis over the past 20 years.[16]

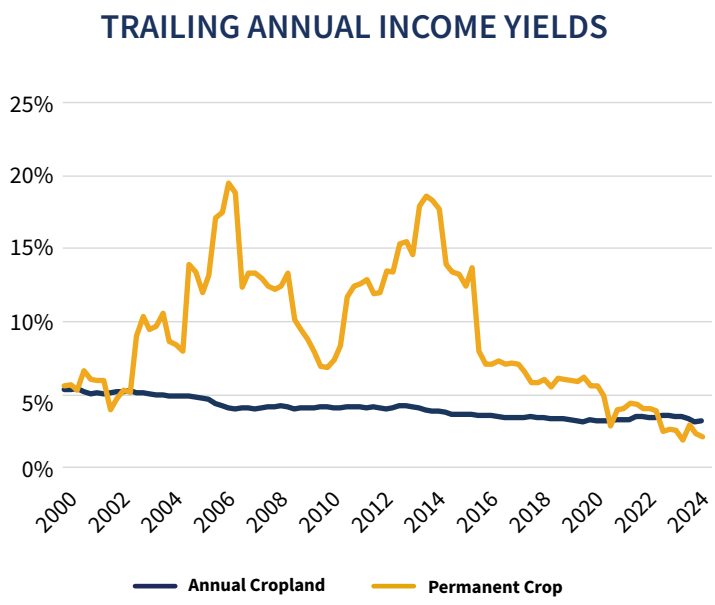

Figure 9

The weakness experienced by many permanent crops is attributable to a combination of input cost inflation and general oversupply. The reasons for oversupply vary between crops, but they generally stem from a combination of supply-side issues (record bearing acreage, record crops, etc.) and demand-side issues (tariffs, changing consumer preferences, for instance, the growth of alcoholic seltzers at the expense of wine). Naturally, oversupply results in weak prices, which are particularly problematic during periods of inflation, as has been the case since 2020. *Figure 7* shows prices of Fruit and Tree Nuts have generally not kept pace with input inflation since 2020.

Last year, we published an article highlighting some of the benefits permanent crops can provide portfolios. The article also outlined USAgriculture's approach to identifying attractive crops, discussed the sector's low profitability, and concluded the following is likely to occur amidst low profitability:

1. crops that can be grown effectively in other regions of the world with lower wages are likely to see additional production migrate to those regions.
2. consolidation of U.S. production, i.e., unprofitable operators exit.
3. increased demand for mechanization and other cost-saving technologies.

The potential for these changes to improve economics varies between permanent crops, and some are likely to experience these events sooner than others. Certain permanent crops, however, are beginning to see these expectations materialize and fundamentals improve. For example, since peaking in 2021, U.S. almond acreage is estimated to have declined by 9% through 2024.[17] During that period, average production has been approximately 10% below 2021/22 levels, causing the almond stocks-to-use ratio to decline from 30% to around 15% by 2024. In response, almond prices exceeded $2 per pound in 2024, approximately 20% above 2021 levels and significantly above breakeven levels.[18]

While some almond farmers reduced acreage in response to a prolonged period of low profitability and increased groundwater regulations, some large farms in California comprising thousands of acres of permanent crops worth hundreds of millions of dollars were forced to liquidate in 2024. These sales put pressure on appraised values, compounding difficulties for other farmers trying to renew operating lines or financing. The net effect has been declining land values. NCREIF reported a 13% decline in the value of permanent cropland in California in 2024 and a 20% decline since 2022.[19]

The confluence of these factors—improving fundamentals and lower asset values—suggests the almond cycle is stabilizing, potentially creating an ideal time for long-term investment. Trade, however, may dampen or delay the recovery. California produces over 70% of the world's almonds, making it vulnerable

[15] NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.
[16] Ibid.
[17] https://www.almonds.com/tools-and-resources/crop-reports
[18] Ibid.; USDA NASS Quick Stats
[19] NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.

to retaliatory tariffs.[20] The extent to which tariffs will affect almonds over the next few years is uncertain. Some find reassurance in the fact that many of the tariffs imposed by China on U.S. almonds during President Trump's first term remain largely in effect. In addition, Canada and Mexico, who have been key targets of U.S. tariffs in 2025, are significantly smaller consumers of almonds than China.

Almonds illustrate the importance of fundamentals to profitability and income growth. As we evaluate investments in permanent crops in 2025, we are searching for crops demonstrating 1) improvements in capacity, 2) potential for cost-saving technologies, and/or 3) above-average growth in per capita consumption. A combination of these factors, coupled with the general decline in permanent cropland values, can yield compelling investment opportunities.

Permanent crops can be an important part of a portfolio for long-term investors seeking high current income, diversification, and exposure to foods consumed directly by humans. Although many permanent crops have recently experienced weak profitability, they have still produced positive income returns, albeit significantly lower than historical averages. It is important to remember the long-lived nature of permanent crops, which tends to cause production to be slow to adapt to short-run economic changes. As a result, permanent crops can experience prolonged periods of weakness; however, it also means efficient operations with long-term capital can also realize prolonged periods of strength.

Farm Sector Balance Sheet

The farm sector ended 2024 with strong solvency and stable, but declining, liquidity. Assets increased 5.1% year-over-year to $4.2 trillion, while total debt increased by 4.4% to $542 billion. Consequently, the farm sector's debt-to-equity ratio was 14.8% at year-end 2024. Farm sector liquidity declined for the third consecutive year, as evidenced by the current ratio falling to 2.0x from 2.4x in 2021. Amidst challenging operating environments, working capital declines and demand for operating loans increases. Survey data published by the Federal Reserve Banks of Chicago, Dallas, and Kansas City indicated this occurred in 2024, and it is likely to recur in 2025.

LIQUIDITY & SOLVENCY: 2019-2025F

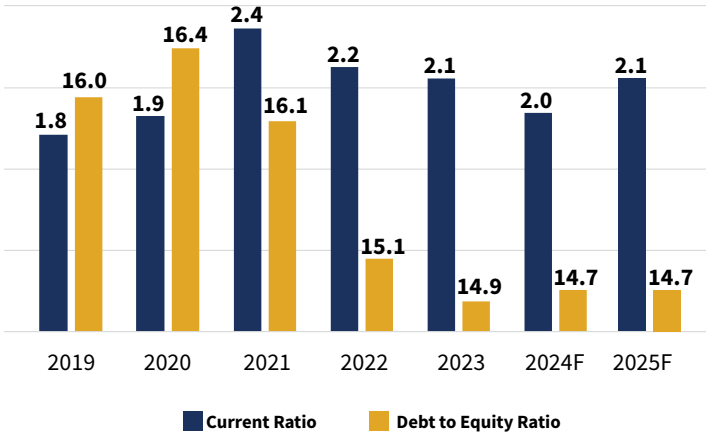

Figure 10

LIQUIDITY & SOLVENCY: 1960-2025F

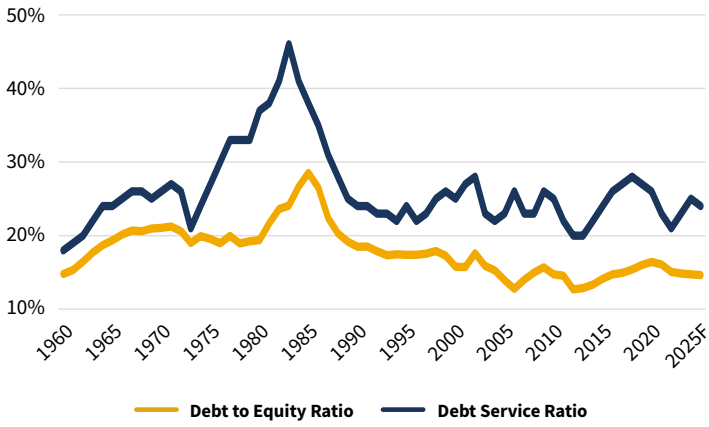

Figure 11

[20] https://www.fas.usda.gov/data/production/commodity/0577400

Despite the sector's aggregate financial strength, challenging operating environments can create financial stress for some. Chapter 12 bankruptcies increased by over 50% in 2024, ending a four-year period of declines. While that is a large percentage increase, the agricultural sector experiences relatively few bankruptcies. In 2024, 216 farms filed for bankruptcy, approximately one bankruptcy per 10,000 farms. Over the past 20 years, the highest number of bankruptcies occurred in 2010, totaling 723 or approximately four bankruptcies per 10,000 farms.[21]

Overall, the sector is well-capitalized and is as financially strong today as any time dating back to 1960. Should capable farmers require long-term capital to reduce debt, expand their operations, or implement a succession plan, USAgriculture is ready to assist and offer viable solutions or alternatives to debt.

Trade

The volume of U.S. agricultural exports increased by approximately 12% in 2024, however, lower commodity prices caused the value of U.S. agricultural exports to decline by 3% year over year. This decline is primarily attributed to lower commodity prices for key crops, notably corn and soybeans. In 2025, the USDA projects total U.S. agricultural exports will decline by approximately 2%, primarily due to lower commodity prices, even though export volumes for major bulk products are expected to rise by approximately 2%. In addition, the trade deficit is projected to grow by approximately 54% in 2025, nearing $50 billion, which, in part, reflects U.S. consumers' growing demand for a year-round supply of high-value agricultural products, rather than a lack of export competitiveness or undue dependence on imports.[22]

Intense competition from Brazil has continued to challenge U.S. grain and oilseed exports, particularly U.S. soybeans.[23] In addition, an appreciating U.S. dollar, as shown in *Figure 12*, has also served as a headwind for U.S. agricultural exports. However, the prospect of widespread tariffs from the Trump Administration on key export markets remains the largest variable for the near-term trade outlook.

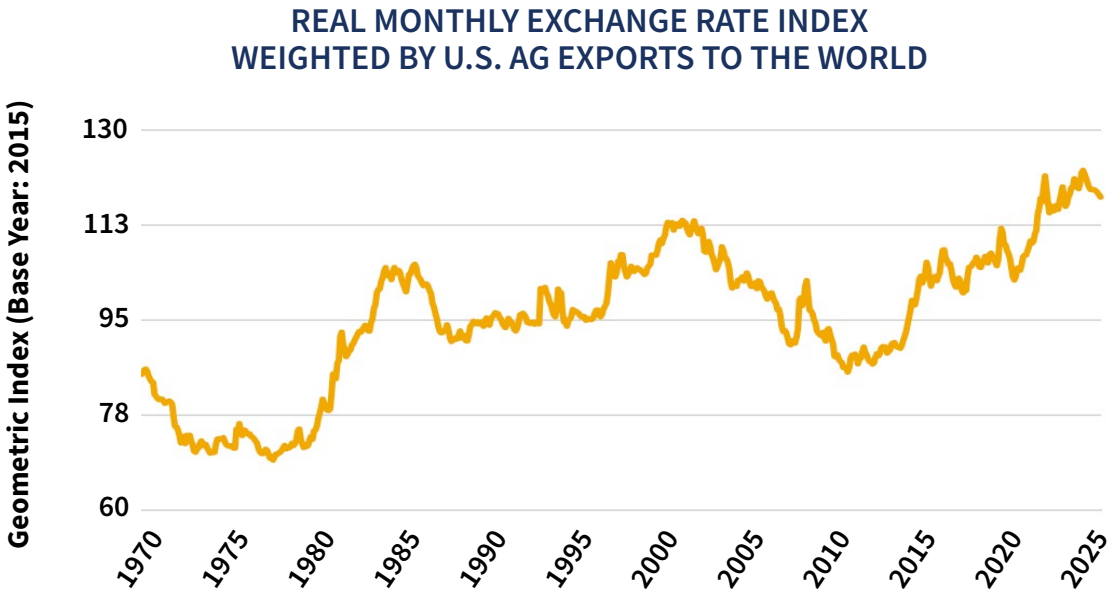

Figure 12

[21] https://www.fb.org/market-intel/2024-farm-bankruptcies-highlight-worsening-farm-credit
[22] Outlook for U.S. Agricultural Trade: February 2025, AES-131, February 27, 2025
[23] Ibid.

China, Canada, and Mexico - the top three export markets for U.S. agricultural products - have been the target of tariff threats over the past few months. As of March 2025, tariffs against Canda and Mexico have been postponed, while tariffs have been levied against China. The effects of these tariffs will depend on the extent of retaliatory tariffs and the ability of other countries to shift their supply and demand to alternative markets. So far, China has responded by levying retaliatory tariffs against U.S. commodities, namely soybeans, which has implications for U.S. producer margins. Should the tariffs against Canada materialize, U.S. producers would face increased input prices, namely for potash and fuel, which also has implications for producer margins.[24] In general, the tariffs proposed by the current administration create uncertainty and the extent to which they materialize will be a key variable to profitability for many U.S. farmers in 2025.

Trade policy changes create short-term uncertainty and have the potential to alter existing trading relationships and trade flows. In isolation, these changes may appear to only result in higher logistical costs and greater inefficiencies. However, in the long term, the limited and essential nature of agricultural production ensures demand will be strong.

Land Values

The USDA's Land Values Summary, released mid-2024, reported an increase of approximately 5% in the national average cropland value per acre last year.[25] Land values reported by the Federal Reserve Banks of Dallas, Chicago, and Kansas City indicated an approximate 3% average rise in farmland values for 2024.[26] Nationally reported average land values are heavily influenced by annual cropland, which represents approximately 80% of the country's cropland value.[27] The NCREIF Annual Cropland Subindex reported a 3% annual appreciation rate for 2024.[28] Despite declining profitability for most row crops in 2024, annual cropland values remained stable and appreciation persisted, supported by strong liquidity, decreasing interest rates, and a limited supply of farmland for sale.

The varying appreciation returns for annual and permanent cropland shown in Figure 13 reflect the distinct economic environments these farmland types have experienced over the past several years. The NCREIF Permanent Cropland Subindex reported an appreciation return of -11.8% in 2024.[29] No permanent crop within the Permanent Cropland Subindex reported positive appreciation in 2024, with annual appreciation returns ranging from -0.9% to -20.2% in 2024.[30]

ANNUAL CHANGE IN LAND VALUES
(AS OF PERIOD ENDING 12/31/2024)

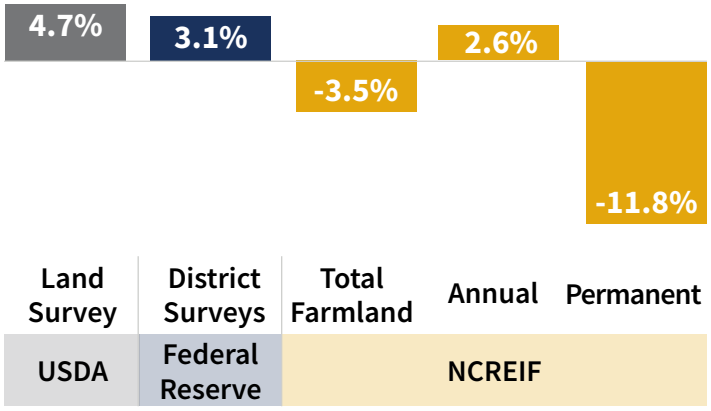

Figure 13

While changes in land values and underlying incomes can diverge in the short term, we expect them to change at comparable rates over the long term. Annual crop farms are generally facing low commodity prices and tight margins heading into 2025. Permanent crops have experienced consecutive years of declining land values and incomes, and while some crops, such as almonds, have seen crop prices improve, many others have not. Given the dynamic trade and labor environment, margins for many permanent crops will likely remain challenged in 2025. Consequently, we anticipate aggregate land value appreciation to moderate in 2025 due to the headwinds facing many producers.

[24] https://www.reuters.com/markets/commodities/china-suspends-soybean-imports-three-us-firms-halts-log-imports-2025-03-04/
[25] https://www.nass.usda.gov/Publications/Todays_Reports/reports/land0824.pdf
[26] https://www.dallasfed.org/research/surveys/agsurvey/; https://www.kansascityfed.org/agriculture/ag-credit-survey/; https://www.chicagofed.org/research/data/ag-conditions/index; USAgriculture analysis
[27] 2022 Census of Agriculture (February 2024); National Agricultural Statistics Service, USDA 2014 Tenure, Ownership, and Transition of Agriculture Land (TOTAL) survey, Economic Research Service and National Agricultural Statistics Service, USDA; USAgriculture analysis
[28] NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.
[29] Ibid.
[30] Ibid.

Outlook: Farmland Investment in 2025 and Beyond

2025 ushered in a second term for President Trump. He and his administration have acted relatively unconventionally, quickly pushing for change and challenging some longstanding norms given the Republican-controlled Congress and his margin of victory built on an "America First" agenda. The administration's agenda is broad, but trade, healthcare (including diet), immigration, and energy policy are key priorities with implications for agriculture. Regardless of whether one anticipates changes in policy will produce positive or negative outcomes, change is often accompanied by uncertainty.

When governing and negotiating on behalf of a country with such a large and diverse group of stakeholders, policy changes will be perceived as detrimental by some individuals and industries, and as favorable by others. Agriculture as a whole is likely to benefit from certain policies and be negatively affected by others, resulting in varying outcomes among its stakeholders. Consider trade, for example. Tariffs levied against U.S. trading partners typically leads to retaliatory tariffs against U.S. exports. *Figure 14* illustrates the relative importance of imports and exports for specific crops in relation to supply. Crops produced in the U.S. that are heavily exported (e.g., almonds, pistachios, and soybeans) are likely to be negatively affected by tariffs, while crops that compete with imports from other countries (e.g., tomatoes, blueberries, and grapes) are likely to benefit.

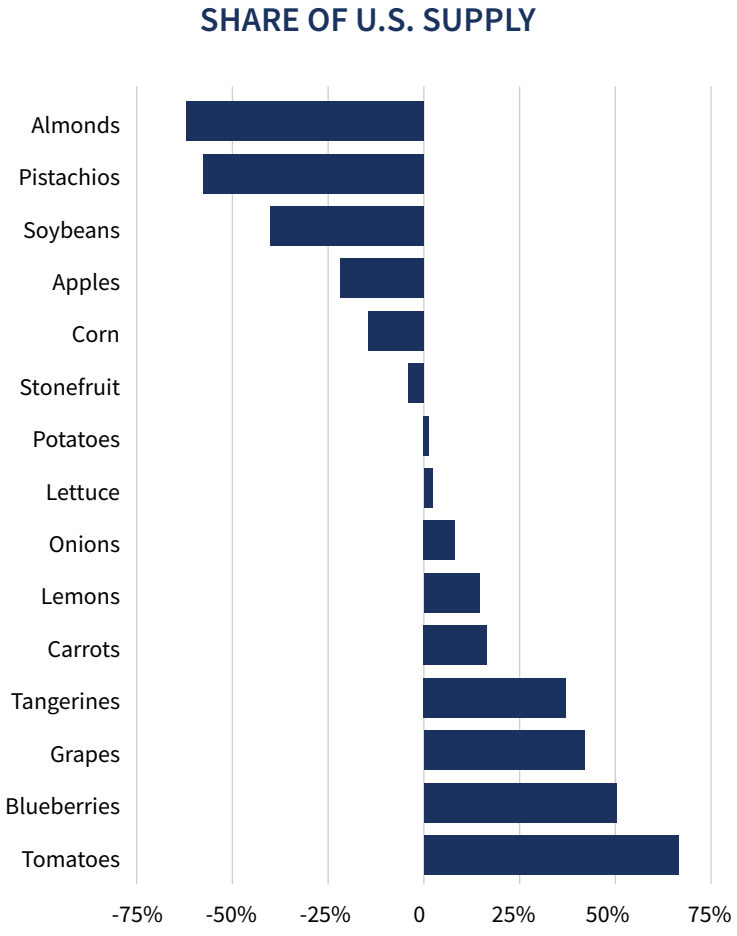

Figure 14

In reality, amidst ongoing negotiations and policy developments, the effect potential policy changes may have on agriculture in 2025 remains highly uncertain. Furthermore, there is a growing sense of economic uncertainty. After an initial post-election rise in November, the Consumer Confidence Index fell in March to its lowest level since 2022. Similarly, the Expectations Index, measuring consumers' short-term outlook for income, business, and labor markets, declined to a 12-year low in March 2025.[31]

Farmland and USAgriculture's investment approach are powerful tools for mitigating uncertainty. Farmland is a finite, tangible resource that produces daily essentials needed in both good and bad economic times. One certainty is that as human populations grow and develop, the demand for agricultural production will increase. Increased demand for a limited resource generally leads to increased asset values. These realities are a cornerstone of the investment thesis for farmland, and they help explain why farmland produces relatively stable investment returns and strong diversification benefits.

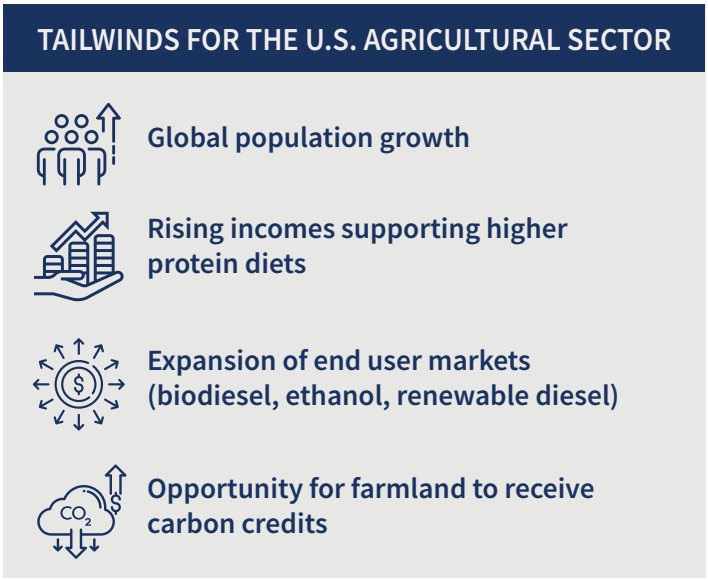

Figure 15

USAgriculture's investment approach also seeks to reduce uncertainty and risk through regional diversification, which helps to maximize our investors' opportunity set and risk-adjusted returns. We start by focusing on regions capable of growing 1) crops at a relative advantage or 2) a very diverse crop rotation. Within those regions, we are particularly interested in land that can produce crops that either 1) directly contribute to a healthy diet or 2) have the opportunity for per-capita consumption growth. In 2025, we are particularly focused on acquiring 1) properties adjacent to high-quality farms that we already manage, 2) permanent crops with evidence of stabilizing and/or improving fundamentals, and 3) row crops in specific regions that offer strong relative value, ancillary income streams, or are positioned to benefit from long-term trends, such as production migration or urbanization.

The crop sector is projected to experience declining profits in 2025 based on current commodity prices. This creates potential for farmland value appreciation to moderate. Should this materialize, it would present a growing opportunity for USAgriculture and its investors, likely leading to an increased number of farm sales and reduced buyer competition. It would also likely prompt more farmers to seek long-term capital partners for sale-leaseback opportunities, a transaction type in which USAgriculture excels.

Whatever may transpire in the year ahead, USAgriculture believes farmland is a unique asset class that is well positioned for an uncertain future. We look forward to applying our disciplined investment process and finding attractive long-term buying opportunities. Our role for investors has not changed as we seek to protect and grow client capital through stable and sustainable farmland investments.

[31] https://www.conference-board.org/topics/consumer-confidence

Notes and Disclosures

The information contained herein is as of the date hereof or as of the specific date(s) noted herein, as applicable. The information contained herein may be based, in part, on information obtained from third parties believed to be reliable and/ or assumptions that later prove to be invalid or incorrect. The information contained herein is not intended to be relied upon as the basis of an investment decision, and is not, and should not be assumed to be, complete. US Agriculture, LLC ("USAgriculture") disclaims any obligation to update this presentation or any of the information contained herein to reflect subsequent developments, reflect a change in assumptions used to prepare this material, or for information that later proves to be incorrect. None of USAgriculture or its respective affiliates nor any of their respective directors, officers, managers, employees, partners, members, shareholders, advisers or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, and nothing contained herein should be relied upon as a promise or representation as to past or future performance of the Portfolio or any other entity or person. The contents herein are not to be construed as legal, business or tax advice, and each recipient should consult its own attorney, business advisor, and tax advisor as to legal, business, and tax advice.

Certain information contained in this brochure constitutes "forward looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "estimate," "intend," "continue," or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results may differ materially from those reflected or contemplated in such forward-looking statements. Moreover, actual events are difficult to project and often depend upon factors that are beyond the control of USAgriculture.

Registration as an Investment Advisor does not imply any level of skill or training.

Historical farmland value is no guarantee of future farmland value or future performance.

Figure Sources

Figure 1 NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.

Figure 2 FINBIN (2024). Center for Farm Financial Management: University of Minnesota. Retrieved from http://finbin.umn.edu (originally created December 12 2024). Data based on corn farms from 12 states across the central U.S.

Figure 3 USAgriculture analysis

Figure 4 Food and Agriculture Organization of the United Nations (UN FAO STAT); average is of periods 2019-2023; USAgriculture analysis

Figure 5 USDA NASS

Figure 6 20-Year Annualized Total Return is from NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries; other characteristics are based on USAgriculture analysis using data accessed from https://coststudies.ucdavis.edu/ and https://ses.wsu.edu/enterprise_budgets/ and https://quickstats.nass.usda.gov/

Figure 7 USDA NASS

Figure 8 USDA NASS; USDA FAS

Figure 9 NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.

Figure 10 https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics

Figure 11 https://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics

Figure 12 https://www.ers.usda.gov/data-products/agricultural-exchange-rate-data-set

Figure 13 https://www.dallasfed.org/research/surveys/agsurvey/; https://www.kansascityfed.org/agriculture/ag-credit-survey/; https://www.chicagofed.org/research/data/ag-conditions/index; https://www.nass.usda.gov/Charts_and_Maps/Land_Values/crop_value_hist_chart.php; NCREIF Farmland Property Index, Quarterly Detail Report 4q2024, January 27, 2025, National Council of Real Estate Investment Fiduciaries.

Figure 14 USDA ERS Yearbook Tables

Figure 15 USAgriculture analysis

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