

# PUBLIC BENEFIT IMPACT REPORTING 2018

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IROQUOIS VALLEY  
FARMLAND REIT

# A LETTER FROM THE DIRECTOR OF IMPACT

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Dear Reader,

Iroquois Valley Farmland REIT, a Public Benefit Corporation, uncompromisingly supports family farmers. Our stated public benefit is that of enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures.

These impacts, embedded in the mission and governance of the Company, may make us one of the most impactful Companies in business today.

Land the Company purchases is only sold to the farmer. If and when they are ready. Leases and mortgages are tailored to lessen the burden of the three year transition to USDA Certified Organic. Company planning and operational timeframes match that of our farmers passing the farm and farming knowledge along through their family generations. Farmers manage and grow their own businesses, independently.

The result is healthy food grown by farmers whose agricultural methods improve the health of the food system and of our planet.

On pages three and four, find positive impacts organic farming practices have on the natural and economic world and resulting in better public health.

Please mull over our Vision Statement, expressed in seven Guiding Principles, for they accurately articulate the heart of our Founder's vision. See page five.

A precise core of Impact reporting measures the degree to which those seven Guiding Principles are being actualized in the world today. Find out on pages six and seven.

On page seven and eight, see and read stories from some of our farm families. That's why we're all here!

Over its 12 year operating history, the Company has proven itself to be a scalable solution to industrial agriculture.

Whether Iroquois Valley Farmland REIT proves to be one of the most impactful and important companies of the future depends upon a growing investor base becoming as committed to organic farm families as are our 400 current investors. The health of the food system, people and planet, for the generations to come, depends upon it. Please, join us!

To learn more about investing in the Company, see the back cover, visit our Investor Portal and reach out to Alex Mackay, Director of Business Development, at [amackay@iroquoisvalleyfarms.com](mailto:amackay@iroquoisvalleyfarms.com).  
Thank you.

Sincerely,

John Steven Bianucci

Director of Impact  
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# BENEFITS OF ORGANIC FARMING

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Organic agriculture is an ecological production management system that promotes and enhances biodiversity, biological cycles and soil biological activity. [1]

## ORGANIC PRODUCTS RESULT IN A HEALTHIER FOOD SUPPLY

From farming practices that don't use GMO's, synthetic chemical pesticides, herbicides, fungicides, or synthetic fertilizers.

## BIODIVERSITY IS INCREASED AND PROTECTED

Organic farms have on average 34% more species than non-organic farms. For pollinators such as bees, the difference is greatest, with the number of species 50% higher on organic farms. [2]

## FLOOD AND DROUGHT MITIGATION; WATER QUALITY IMPROVEMENT

Because organic farming practices increase soil organic matter, **water-retention capacity is increased**. "Each 1 percent increase in soil organic matter allows soil to hold 20,000 more gallons of water per acre." [3] Soil Organic Matter is integral to nature's water cleaning function. **Higher quality water** flows into fresh and oceanic bodies of water from organic farmland than from conventional farmland.

## LIFE ON EARTH IS PROTECTED

At current acreage levels, **845,000-plus pounds** of dangerous synthetic nitrogen fertilizer and over **16,500 pounds** of toxic chemical pesticides are **not released** into our farmland soils each year. Such toxins destroy the ecosystem and cause illnesses, today having become so widespread as to be regularly found circulating in prenatal blood. [4] [5]



Farms pictured above: Featherstone Farm, Vilicus Farms, Vermont Natural Beef

# BENEFITS OF ORGANIC FARMING

## LOCAL ECONOMIES IMPROVE

Organic farms are more profitable and a higher percentage of the money stays in the local economy. Clusters of counties home to significantly more USDA Certified Organic Farms experience both a median income increase of over \$2,000 per resident and a poverty reduction rate of as much as 1.35%. [6]

## ENERGY IS SAVED

Organic farming uses 45% less energy and is more efficient. [7]

## WATER QUALITY IS ENHANCED AND PRESERVED

Organic farms protect water supplies by avoiding chemical applications that pollute our rivers and streams. According to the EPA, conventional agriculture creates 60% of all water pollution. [7] [8]



Farms pictured above: Yker Acres pasture seeding, Main Street Project agripreneur, Strafford Village Farm

## SOURCES

[1] USDA National Organic Standards Board (NOSB) definition, April 1995

[2] "Land-use intensity and the effects of organic farming on biodiversity." A meta-analysis conducted by Oxford University's Department of Plant Sciences. "Our study has shown that organic farming, as an alternative to conventional farming, can yield significant long-term benefits for biodiversity," said Sean Tuck, study lead author.

[3] Dr. Michelle Wander, Professor of Natural Resources and Environmental Sciences at the University of Illinois,

[4] Fertilizer usage estimates from: USDA Environmental Research Service. "Chemical Inputs: Fertilizer Use & Markets." Acreage in crop production estimates from: "Major Land Uses Overview." USDA, Economic Research Service, n.d. Web. 03 Apr. 2013. <<https://www.ers.usda.gov/data-products/major-land-uses.aspx>>

[5] Pesticides applied per acre of US farmland: Rodale Institute News, Sept. 2013

[6] U.S. Organic Hotspots and their Benefit to Local Economies Hotspot Identification, Formation, Impacts and Policy Recommendations - Edward C. Jaenicke, Associate Professor of Agricultural Economics, Penn State University - Prepared for the Organic Trade Association, May, 2016 <https://www.ota.com/hotspots> and [https://ota.com/sites/default/files/indexed\\_files/OTA-HotSpotsWhitePaper-OnlineVersion.pdf](https://ota.com/sites/default/files/indexed_files/OTA-HotSpotsWhitePaper-OnlineVersion.pdf)

[7] <https://rodaleinstitute.org/science/farming-systems-trial/>

[8] <https://www.epa.gov/nutrientpollution/sources-and-solutions/>

# VISION STATEMENT

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Iroquois Valley has adopted corporate ownership as the most generationally-focused, indefinitely scalable and democratically-governed structure suitable to its vision of permanently impacting sustainable agriculture.

## OUR SEVEN GUIDING PRINCIPLES:

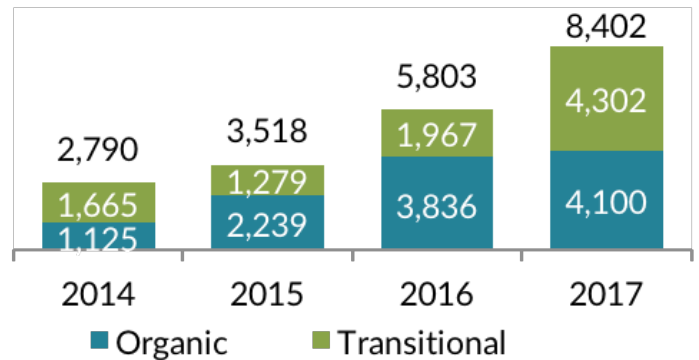
1. Enable the next generation of young farmers to positively impact world health.
2. Farm with healthy, humane and organic practices without GMOs, toxic pesticides, herbicides, fungicides, synthetic fertilizers or other harmful chemicals.
3. Keep the farmers on the land by indefinitely renewing their leases and preferentially selling to the farm tenant. Members trade “stock”, not land.
4. Grow a broad-based membership, reaching thousands of like-minded investors concerned about the health of people, the planet, and financial stability.
5. Transition traditional investment capital from conventional trading and extractive practices to renewable and regenerative uses.
6. Maintain a fairly valued, democratically governed enterprise enabling both members and farmers to enjoy a stable and profitable return on their farming investment.
7. Protect farmland.

# IMPACT REPORT METRICS

## FARM WITH HEALTHY, HUMANE & ORGANIC PRACTICES

Our farms increase biodiversity overall, including soil fertility, native plants, ecosystem pollinators, birds, insects, and other species. We support farmers to use only the best in organic and regenerative practices - without GMOs, bio-cides, or other toxic chemicals.

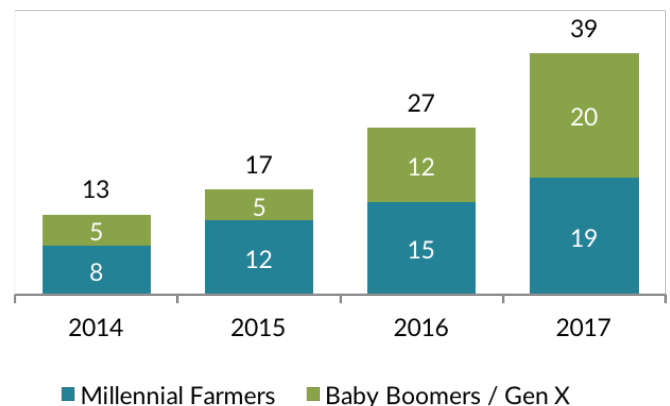
### ACRES UNDER LEASE & MORTGAGE



## ENABLE THE NEXT GENERATION OF YOUNG FARMERS TO POSITIVELY IMPACT WORLD HEALTH

Farm families think in generations. So does Iroquois Valley Farmland REIT, stressing next generation land access. The Company has purchased or financed over 4,150 acres for millennial farmers, an aggregate investment over \$25 million.

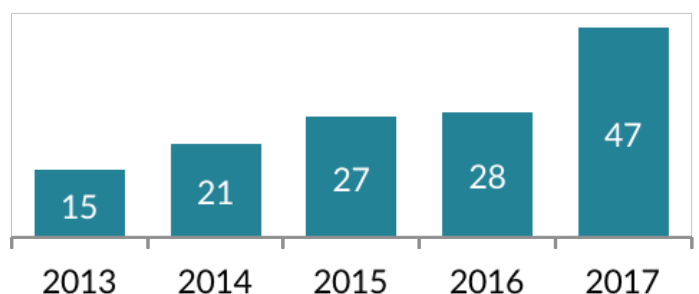
### NUMBER OF FARMERS



## PROTECT FARMLAND

The Company's ability to hold farmland indefinitely enables secure farmland access for future generations dedicated to a healthy and just food system. Empowering family farms to thrive replaces industrial monocultures.

### NUMBER OF FARMS

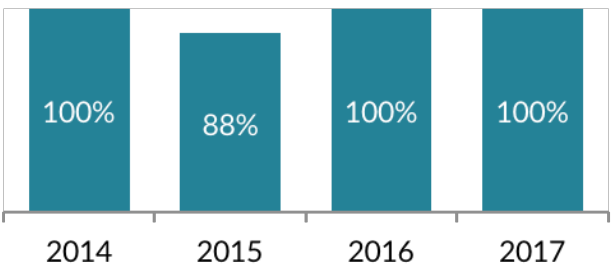


# IMPACT REPORT METRICS

## KEEP FARMERS ON THE LAND

Organic farming requires farmers' long-term commitment. We are structured to support that commitment. While the Company's business model reduces ownership risk factors for the farmer, farm operations, as part of life, are subject to risk. 2017 marks the eleventh farming season for the Company and its farmer partners. Farmer Retention has been 100% in every year except one.

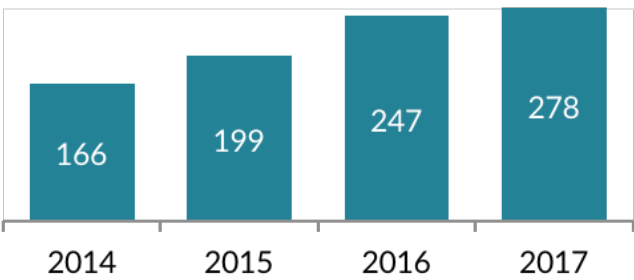
### FARMER RETENTION RATE



## GROW A BROAD SHAREHOLDER BASE

Investors have the opportunity to invest in a diversified portfolio of farmland and farmland mortgages that are foundational to emerging local and regional food systems. Iroquois Valley envisions reaching thousands of like-minded investors concerned about the health of people, the planet and financial stability.

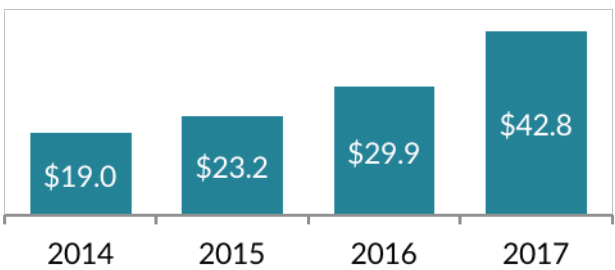
### NUMBER OF EQUITY INVESTORS



## TRANSITION TRADITIONAL INVESTMENT CAPITAL

Farmland has a long history as a stable and moderate growth investment. Arable land is limited. Investors now have a clear, transparent path away from conventional trading and extractive practices to renewable and regenerative uses.

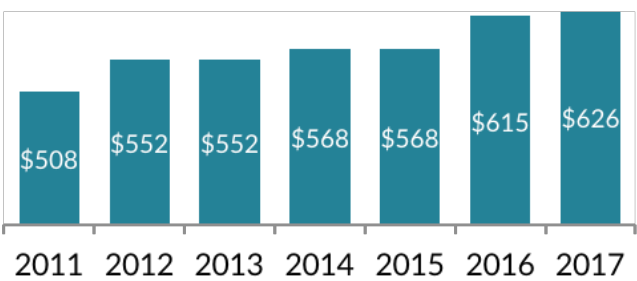
### COMPANY ASSET VALUE



## MAINTAIN A FAIRLY VALUED, DEMOCRATICALLY GOVERNED ENTERPRISE

The ability for direct, stakeholder investment in sustainable farmland helps secure the health of a community, a region and of a nation. With Board oversight, Iroquois Valley Farmland REIT enables both shareholders and farmers to enjoy a stable and profitable return.

### PRICE PER SHARE





# FARM STORIES



## SIZE

7,400 acres of transitioning and certified organic farmland

## FARMERS

Doug & Anna-Jones Crabtree



## FARM VISION

Vilicus Farms is an experiment in sustainability at scale, where crops, conservation, and energy intersect. Organic has been integral to their holistically-designed operation since they became first generation farmers in 2009.

Anna and Doug's vision for Vilicus Farms is to have a net-zero, closed loop system where all energy needed to power the farm is produced on the farm.

## ABOUT THE FARM

Anna & Doug specialize in growing heirloom grains and legumes (wheat, emmer, spelt, durum, kamut, oats, purple prairie barley, multiple kinds of lentils, flax, buckwheat and more), Vilicus Farms grows food found across brands including Timeless Seeds and Annie's. Their farm system is based on long rotations of five and seven years, intermixed with cover crops that build soil health, retain water, and suppress weeds. Conservation is an important pillar at Vilicus Farms: 27% of the land is in non-crop conservation. This means that 27% of tillable acres are left for other species and biodiversity purposes.

## FARMING PRACTICES

Cultivating a biodiverse ecosystem compliments the dryland farming techniques used at Vilicus Farms. Their location in the Great Northern Plains means little rainfall. Doug and Anna work with nature and plant crops that can withstand drought conditions. Anna and Doug are pursuing biodynamic certification, that would recognize their regenerative farm as a living, individual, self-renewing organism. Vilicus Farms is committed to working at a scale that makes a difference in creating a sustainable food system that plays a significant role in solving climate change.

## HOW WE HELPED

In 2016, Iroquois Valley purchased 320 acres for Vilicus Farms to expand their operation. In 2017, we purchased an additional 960 acres for lease to Anna & Doug. Iroquois Valley's purchases provided the land security Doug and Anna need to continue their work sequestering carbon in the soil and scaling their business.





# FARM STORIES



## SIZE

160 acres of transitioning organic farmland

## FARMERS

Matt, Sara Weik & Family



## FARM VISION

The main goal at Yker Acres is to provide their community with responsibly-raised food. Matt and Sara grew up around farms, especially hog farms. They saw the decline of family farms and their replacement by CAFO's. They wanted to change that by farming regeneratively.

## ABOUT THE FARM

The Weik family raises heritage hogs and beef cattle in Northern Minnesota where they sell directly into the Duluth and Twin Cities farm-to-table restaurants and premium pork product markets. The Weiks raise three heritage breeds - Large Black, Tamworth, and Mangalitsa - chosen for their ability to thrive in the cold northern Minnesota winters. The Weiks also have a small herd of beef cattle that grazes on the farm's pastures and forests.

## FARMING PRACTICES

Hogs are ruminants that benefit the soil by instinctively rooting. Yker Acres grows happy pigs by providing them with a low stress environment. They are pastured, which means they are outside 365 days a year. They have access to housing, fresh water, big wallows of mud, love, patience, good feed (peas, barley, & pasture). The Weiks crossbreed their pigs with the goal of a variety perfectly suited to their farm, with a product well-suited for local chefs.

## HOW WE HELPED

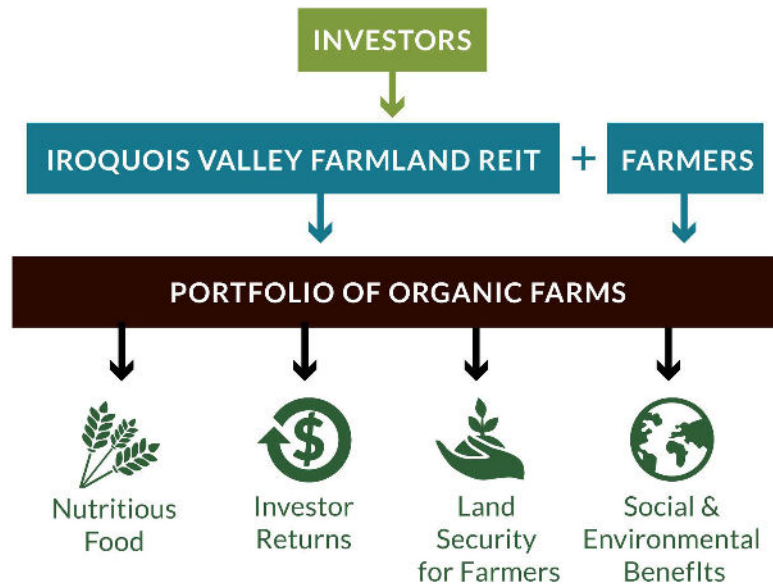
Iroquois Valley provided mortgage financing for the Weik's 160 acre farm in 2016. The Weiks relocated from a small, 16-acre farm. The new farm significantly expands their acreage and allows them to build their business. This financing was Iroquois Valley's first investment in Minnesota. We acted as senior lender in addition to complements from FSA and USDA program funds.



# A SCALABLE SOLUTION

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## OUR BUSINESS MODEL



Committed to setting the standard for agricultural, triple-bottom-line companies supporting family farms & farmers using organic practices

Iroquois Valley Farmland REIT, PBC – The Company earned B Labs “Best for the World” Honors for the Third year in a row and selected an ImpactAssets IA50 Best Manager Company for the Sixth year in a row.

Transition investment capital away from conventional trading and extractive practices to renewable and regenerative uses with the Company’s 2018, REIT Equity and Iroquois Valley Farms Soil Restoration Note Debt Offerings for accredited investors.

Our stated Public Benefit is that of enabling healthy food production, soil restoration and water quality improvement through the establishment of secure and sustainable farmland access tenures. These impacts are embedded in the mission and governance of the Company.

Join Us! We are actively expanding our investor base to reach thousands of investors concerned about the health of people, the planet and financial stability.

For investment information, please reach out to Alex Mackay, Director of Business Development, at [amackay@iroquoisvalleyfarms.com](mailto:amackay@iroquoisvalleyfarms.com), (847) 859-6645 ext. 701.