



IROQUOIS VALLEY
FARMLAND REIT

2019 PUBLIC BENEFIT REPORT

TABLE OF CONTENTS

INTRODUCTION 1

VISION & THEORY OF CHANGE 2

PEOPLE 3

- Customers – Our Farmers
- Community – Our Investors
- Governance – Our Board
- Workers – Our Team

LAND 8

- Environment – Where We Work

3RD PARTY VERIFICATION 10

FURTHER INFORMATION 12



PUBLIC BENEFIT CORPORATION



www.iroquoisvalley.com
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Our corporate goal is to create public benefit by enabling healthy food production, restoring soil, and improving water quality through the establishment of secure and sustainable farmland tenure.

INTRODUCTION

Iroquois Valley Farmland REIT is proud to release its first public benefit report to share our approach to creating public benefit.

Iroquois Valley’s success is defined by social, environmental, and financial impacts. Our commitment to positive change is reflected by a series of certifications and recognitions: in 2012, we became a Certified B Corp and in 2016 we became a Public Benefit Corporation (PBC). As a PBC, we conduct business that balances the interests of the shareholders with our public benefits.

Iroquois Valley believes impact measurement and assessment is essential to its work. Historically, we have communicated our impact through annual reports that measured our progress against our vision statement. We are transitioning to a public benefit company impact reporting structure to better reflect our work as a public benefit corporation. We believe public benefit reporting offers a standardized structure to evaluate our work. This public benefit report uses our B Labs Assessment as our third-party verification. We have engaged with third-party impact assessors who independently verify and evaluate practices and outcomes. Iroquois Valley is committed to transparency through rigorous, independent evaluation of its work.

B IMPACT SCORE: 135.2



VISION & THEORY OF CHANGE

OUR GUIDING PRINCIPLES

- I. Enable the next generation of young farmers to positively impact world health.
- II. Farm with healthy, humane and organic practices without GMOs, toxic pesticides, herbicides, fungicides, synthetic fertilizers or other harmful chemicals.
- III. Keep the farmers on the land by indefinitely renewing their leases and preferentially selling to the farm tenant. Enable farmers to own land by providing mortgage financing. Support farmer businesses by providing lines of credit.
- IV. Grow a broad base of mission-aligned investors and partners working to heal people and planet.
- V. Transition traditional investment capital from conventional trading and extractive practices to renewable and regenerative uses.
- VI. Maintain a fairly valued, democratically-governed enterprise enabling both investors and farmers to enjoy a stable and profitable return on their farming investment.
- VII. Protect farmland.



Overlooking community share land plots from restored prairie at Main Street Project in Dakota County, MN.

VISION & THEORY OF CHANGE

OUR WORK

Iroquois Valley's work to create public benefit can be broken down into two categories:

LAND & PEOPLE

Iroquois Valley Farmland REIT is a real estate investment company that provides land access for the next generation of organic farmers through innovative leases and mortgages. These products provide land security and financial viability for farmers who are committed to building soil and growing healthy food in ways that benefit ecosystems and communities. Iroquois Valley has been in business since 2007.

OUR THEORY OF CHANGE

What will life look like if we achieve our goals to create public benefit by enabling healthy food production, restoring soil, and improving water quality through the establishment of secure and sustainable farmland tenure?

Soils are full of life, where healthy plants can grow. Farms grow nutritious food in nutrient-rich soil, while ecosystems are restored. Biodiversity, pollinator, and wildlife are valued and prioritized on farms. Rivers, streams, and all waterways leading to our lakes and oceans are free of pollution and chemical runoff. There is balance and abundant life in our waters. Healthy food is widely available and accessible.

Organic & regenerative farming practices are the norm. Financial institutions offer supportive terms for farmers and small business owners that share risk. Our economy is regenerative, rooted in communities, and resilient. Investing means enabling positive impacts, solving problems, and creating returns for all stakeholders.

A FORMULA FOR CHANGE

+ ORGANIC FARMERS
IROQUOIS VALLEY

FARMLAND MANAGED ORGANICALLY AND REGENERATIVELY FOR THE LONG-TERM, WHICH LEADS TO MULTIPLE POSITIVE OUTCOMES THAT CREATE PUBLIC BENEFIT:



VISION & THEORY OF CHANGE

HOW WILL WE GET THERE?

Our approach to achieving public benefit:

RESOURCES

PEOPLE

- Workers - staff
- Governance - board
- Community - investors
- Customers - farmers
- Partners - our banks, co-investors, mission-aligned organizations

CAPITAL

- Capital from investors
- Bank financing
- Grant funding

ACTIVITIES

INVESTING IN FARMLAND BY BUILDING RELATIONSHIPS WITH FARMERS

PORTFOLIO MANAGEMENT, ANALYSIS, EVALUATION

RAISING CAPITAL

INVESTOR RELATIONS

IMPACT EVALUATION

OUTCOMES

ENVIRONMENT - WHERE WE WORK

- Farmland is managed organically and regeneratively by land stewards
- Soils are restored and full of life
- Biodiversity is valued
- There is a place for pollinators and wildlife on farms
- Water is clean; agricultural chemicals and nutrients do not enter our waterways

CUSTOMERS - FARMERS

- Farmers have long-term land security
- Farmers benefit from flexible lease and mortgage structures that allow them to invest in the land and in their operations
- Farmers have viable businesses producing healthy food
- Rural economies are revitalized

COMMUNITY - INVESTORS

- Investors benefit from long-term land appreciation
- Investors share risk with farmers in good and bad years
- Investors enable positive outcomes through financial support
- Investors diversify their portfolios with exposure to a real asset
- Investors receive market rate returns based on the demand for organic food and the resiliency of organic farmland in the face of climate change

PUBLIC

- Nutritious food is widely available and accessible. Human health improves as a result of a food as medicine approach.
- Consumers and farmers are connected; local and regional food systems are strong, supported by infrastructure, and are a vital part of their communities

PEOPLE

The Iroquois Valley community is made up of farmers, investors and financial advisors, board, staff, and strategic partners. We are bolstered by the support of organic and regenerative agriculture advocates as well as the impact investing movement.



Iroquois Valley staff on a farm field trip



Staff, board members, farmers, and investors connecting at an Annual Meeting



PEOPLE

CUSTOMERS - OUR FARMERS

- Support for young farmers – over \$25 million invested in millennial farmers covering 3,683 acres.
- Women are involved in decision-making on over half of our farms (59%)
- 35% of our farmers are working with a next generation with the goal of farmland transfer.
- 58% of our leased and financed portfolio represents repeat investments. Reinvesting in our farmers helps them continue to grow their businesses.



Kristen & Ben Beichler
Creambrook Farm - Augusta County, VA



Doug Crabtree
Vilicus Farms - Hill County, MT



Holly & John Arbuckle
Singing Pastures Farm - Lincoln County, ME

GOALS

To diversify our farmer base

We plan to do this by:

- Building relationships with organizations that work with farmers of color in order to co-invest.
- Promoting our services at events and conferences in communities where we are not currently invested.

We recognize that farmers of color have faced systemic discrimination from lenders. We hope to build trust with communities of color and offer our financial products to them.



Matt Weik
YKer Acres - Carlton County, MN

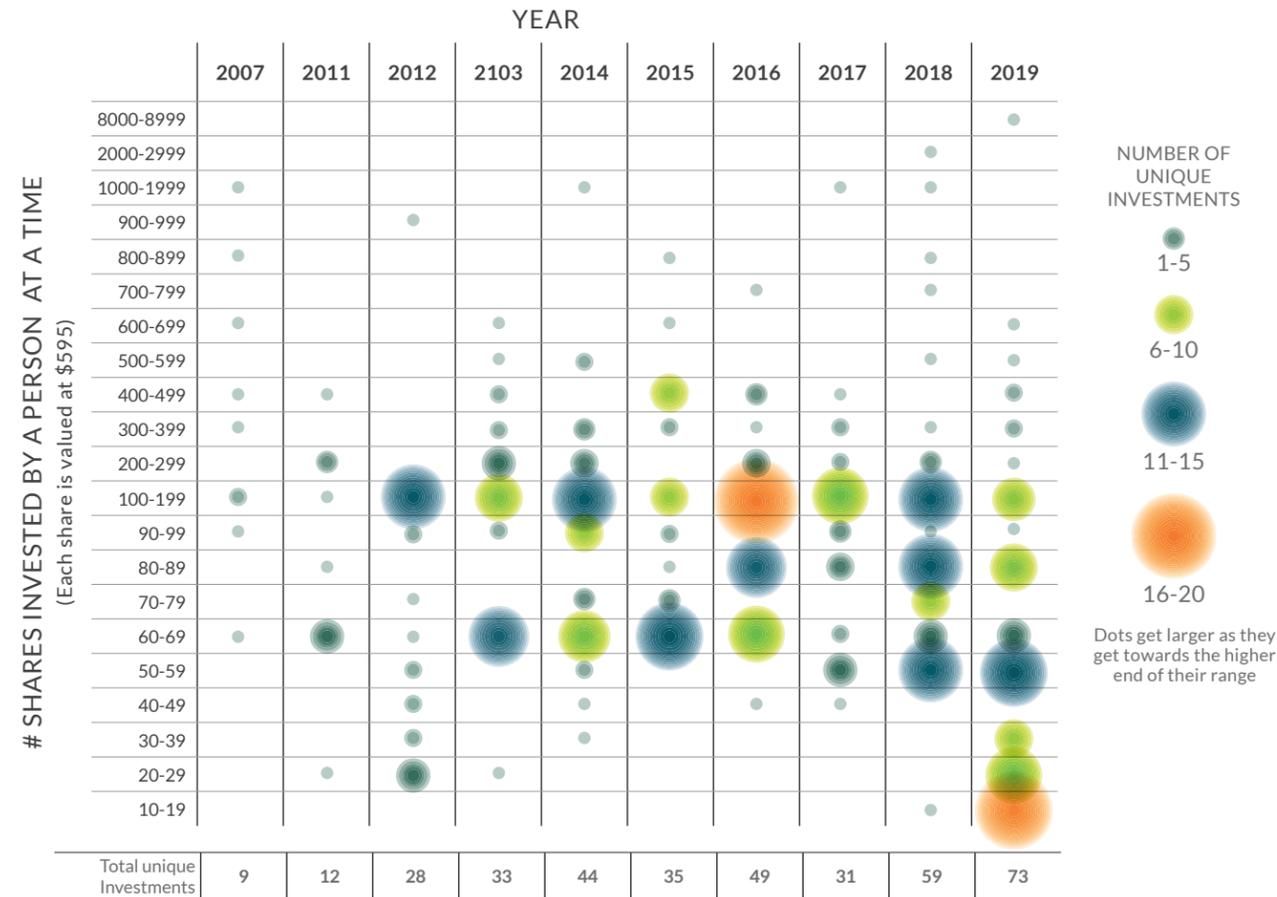


The Wepking Family
Meadowlark Organics - Iowa County, WI

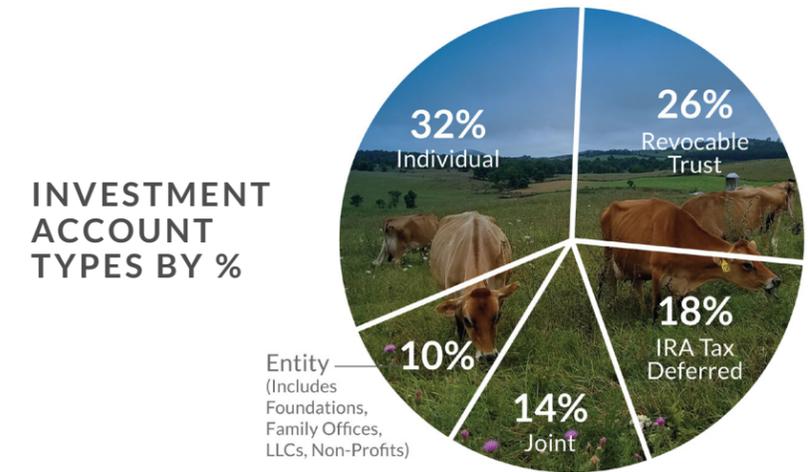
PEOPLE

COMMUNITY - OUR INVESTORS

Unlike a traditional private equity fund, Iroquois Valley prioritizes raising capital from a broad base of investors that invest in a wide range of amounts. Since the Company's inception in 2007, investment amounts have ranged from \$10,000 to \$5,000,000 with an average of approximately \$100,000.



Iroquois Valley is supported by a broad base of investors. They invest through a variety of account types, including tax-deferred IRAs and 401ks that align well with the buy-and-hold strategy of the company and the long-term goals of supporting the farmers with land access in perpetuity.



In May 2019 Iroquois Valley made its REIT Equity Shares available to non-accredited investors for the first time through a national, \$50 million Direct Public Offering with an investment minimum just above \$10,000. The Company believes this is the first widespread opportunity for retail investors to own stock in a diversified portfolio of USDA Certified Organic Farmland. As of the date of this report, 35% of all equity investments into the Direct Public Offering have been from non-accredited investors.

Iroquois Valley enjoys significant support from investment advisory firms across the nation whose mission to invest with impact and vision for a more regenerative economy align with the goals of the Company. Approximately half of all investment capital supporting Iroquois Valley comes through these relationships and represents the strong network of support from the impact investing communities, including socially responsible investors and those aligned with environmental, social, and corporate governance factors. The Company is optimistic that traditional money managers will continue to see the value in long-term, real assets with a variety of positive environmental and social impacts.

“My main motivation is to promote regenerative agriculture, transforming our food production from degrading agricultural practices to regenerative methods that build rich soil, sequester carbon and conserve water.”

- Investor participating in the Direct Public Offering of REIT Equity Shares

GOALS

Grow the investment portfolio to attract more traditional capital, enabling scale and profitability for all investors

Build a risk-sharing investment model.

We plan to do this primarily through a three-year Conservation Innovation Grant awarded to Iroquois Valley in 2020, which supports the development of an integrated capital reserve.

PEOPLE

GOVERNANCE - OUR BOARD

- Board members are elected democratically by shareholders.
- Board is made up of people with backgrounds in: farming and farmer advocacy, healthcare, law, financial advising, finance, and responsible investing.
- The nine person board includes five men and four women. Among them, two are people of color.
- The Board is involved in all major decisions regarding corporate strategy, investment strategy, specific investments, mission and vision.
- Our smaller farm investments are approved by an Investment Committee appointed by the board. The Investment Committee is made up of both farmer board members, an additional farmer, our CFO, and our CEO.

GOALS

Continue to build capacity and efficiency by identifying and prioritizing strategic goals



Garlic growing at Main Street Project - Dakota County, MN

PEOPLE

WORKERS - OUR TEAM

- Full-time employees and part-time employees (working 30+ hours / week) are eligible for comprehensive healthcare coverage.
- Employees have the option of participating in the employer-sponsored plan or receiving an equivalent stipend to purchase their own healthcare.
- HSA for qualified health expenses.
- In 2019, Iroquois Valley began offering employees a socially responsible retirement plan.
- Employees receive 2 weeks paid time off.
- Some employees are fully remote and work in different regions, while employees at headquarters have a flexible work schedule and the ability to work remotely as appropriate.
- We participated in the B Labs 2018 Inclusive Economy Challenge and identified three areas for improvement. We implemented policies on all of them:
 - Created a comprehensive employee handbook.
 - Extended healthcare benefits to part-time employees and have all employees participating in healthcare program.
 - Began composting at Company headquarters.



David E. Miller
CO-FOUNDER AND CEO



Mark Schindel
CHIEF FINANCIAL & INVESTMENT OFFICER



Arnold Lau
CHIEF OPERATING OFFICER



Fany Bortolin
SENIOR VICE PRESIDENT



John Steven Bianucci
DIRECTOR OF CONSERVATION



Alex Mackay
VP, INVESTOR RELATIONS



Claire Mesesan
COMMUNICATIONS DIRECTOR



Lacey Benz
INVESTMENT COORDINATOR



Raya Carr
OFFICE MANAGER

GOALS

Hold diversity and inclusion training for staff

Offer employer match for employee retirement plan

LAND

ENVIRONMENT - WHERE WE WORK

- Over 12,000 acres purchased and financed for organic & regenerative farmers.
- Support for farmers raising a wide variety of crops and animals:
 - 70% = multi-year crop rotations that include grains, beans, hay, and more.
 - 17% = pastured and fully grass-fed dairy.
 - 10% = pastured and fully grass-fed livestock.
 - 2% = fresh market vegetables and specialty crops like aronia berries, hazelnuts, elderberries, and more.
- From the soil health survey:
 - 100% of farmers surveyed are planting cover crops.
 - 80% of farmers surveyed are reducing their tillage or practicing no till.
 - 100% of farmers surveyed are tracking soil organic matter.
- 508 acres permanently conserved as farmland through easements with land trusts on land financed by Iroquois Valley with more easements in progress.
- Partner with farms engaged in conservation efforts to create pollinator habitat, restore wetlands, re-forest woodlands, and more.
 - For example, 10,000 trees are being planted at Rock Creek North in Will County, IL as part of an agroforestry project.



100% pastured cattle graze at YKer Acres - Carlton County, MN



Chicken moving through perennial and forage pasture at Main Street Project - Dakota County, MN



Pollinators visit native habitat plantings at Vilicus Farms in Hill County, Montana. Vilicus Farms has over 27% of their entire acreage in non-crop conservation habitat for pollinators and wildlife.

GOALS

Refine farmer survey process:

- Survey all farmers within the Iroquois Valley portfolio on practices they use to build soil health.
- Improve the survey itself by making it easier to collect and analyze data; enable survey to collect more nuanced data around practices, recognizing that not all practices can be described by yes/no answers.
- Evaluate survey goals and identify key metrics to incorporate going forward, including more questions about conservation practices on farms.

Begin tracking soil organic matter measurements across farms.

Co-develop wetlands restoration and agroforestry project at Rock Creek North with wide variety of partners.



Rye field interplanted with cover crops at Janie's Farm in Iroquois County, IL

OUR 3RD PARTY VERIFICATION

B Lab, the non-profit that manages the B Corp Certification, conducts impact assessments every three years, evaluating practices in four stakeholder categories: governance, workers, community, and environment. Iroquois Valley has consistently scored within the top 10% of all B Corps assessed, earning it awards like Best for the World Overall and in specific categories. We used our B Corp Impact Assessment as our 3rd party performance standard because it is widely used and accepted across impact measurement and management fields.

Certified



Corporation®



Heritage breed pigs on pasture at Singing Pastures Farm in Lincoln County, ME

FOR MORE INFORMATION

Visit our website:
www.iroquoisvalley.com

See our past impact reports:
www.iroquoisvalley.com/impact/

Reach out:
info@iroquoisvalleyfarms.com

This report is not an offer to sell or a solicitation of an offer to buy any securities. In particular, Iroquois Valley Farmland REIT, PBC is offering its common stock for sale pursuant to Tier 2 of Regulation A+, and as such intends to be exempted from state qualification pursuant to federal law. Offerings are only made through our Offering Circular, available to view here.

In addition, some of the statements herein may constitute forward-looking statements. Such forward-looking statements describe anticipated or hoped for outcomes, but are subject to various risks and uncertainties, including those described in the Offering Circular.



Planting carrots at Featherstone Farm in Fillmore County, MN