



# IROQUOIS VALLEY

FARMLAND REIT

## 2019 PUBLIC BENEFIT REPORT



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PUBLIC BENEFIT CORPORATION



[www.iroquoisvalley.com](http://www.iroquoisvalley.com)  
[info@iroquoisvalleyfarms.com](mailto:info@iroquoisvalleyfarms.com)

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:

**HUMAN HEALTH**  
as result of healthy food as result of nutrient rich, living soil



**SOIL HEALTH**  
leads to biodiversity, clean waters, and carbon sequestration



**PLANET HEALTH**  
as result of thriving ecosystems, carbon sequestration

Restored prairie landscape at Main Street Project in Dakota County, MN

# 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

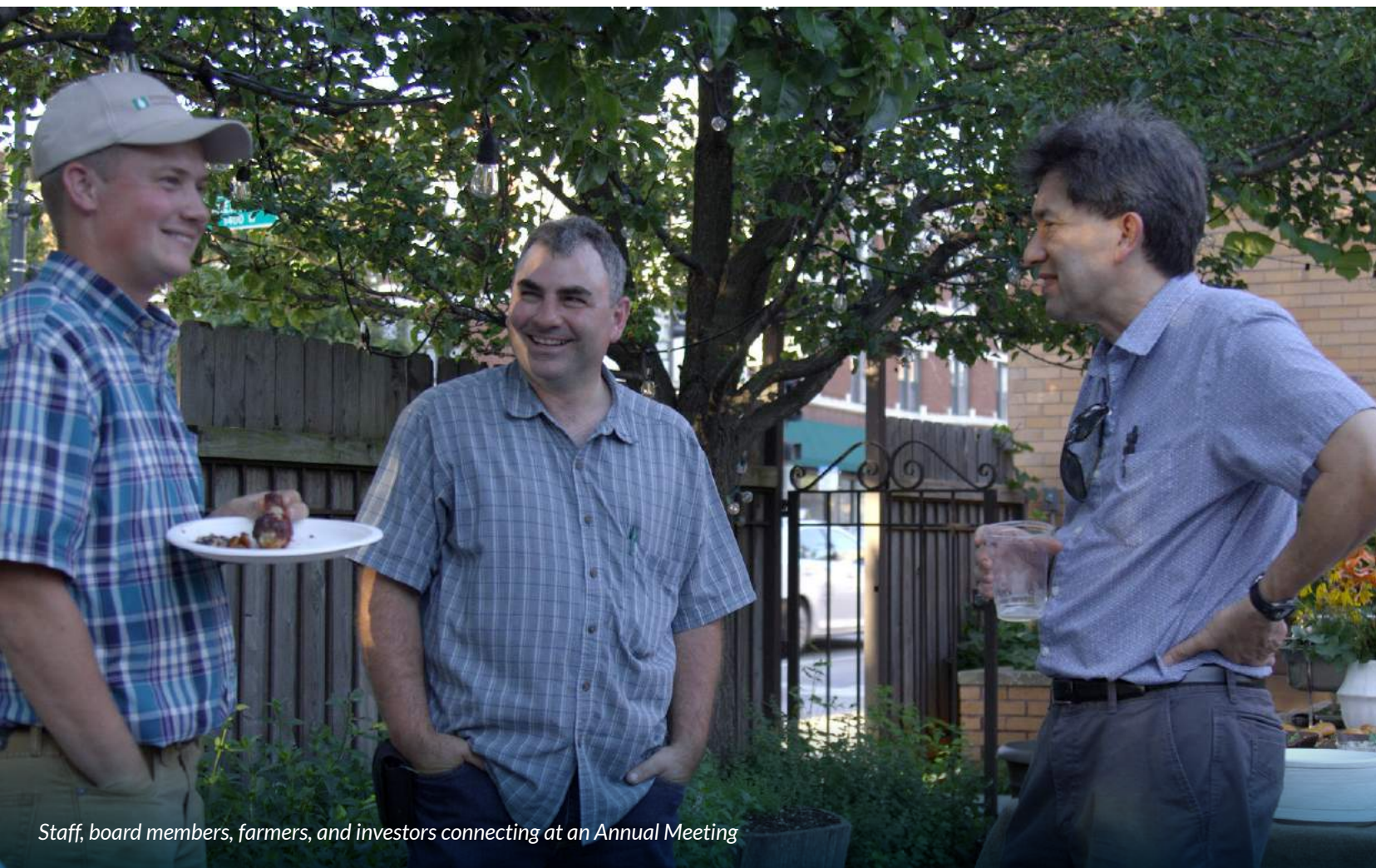


# PEOPLE

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



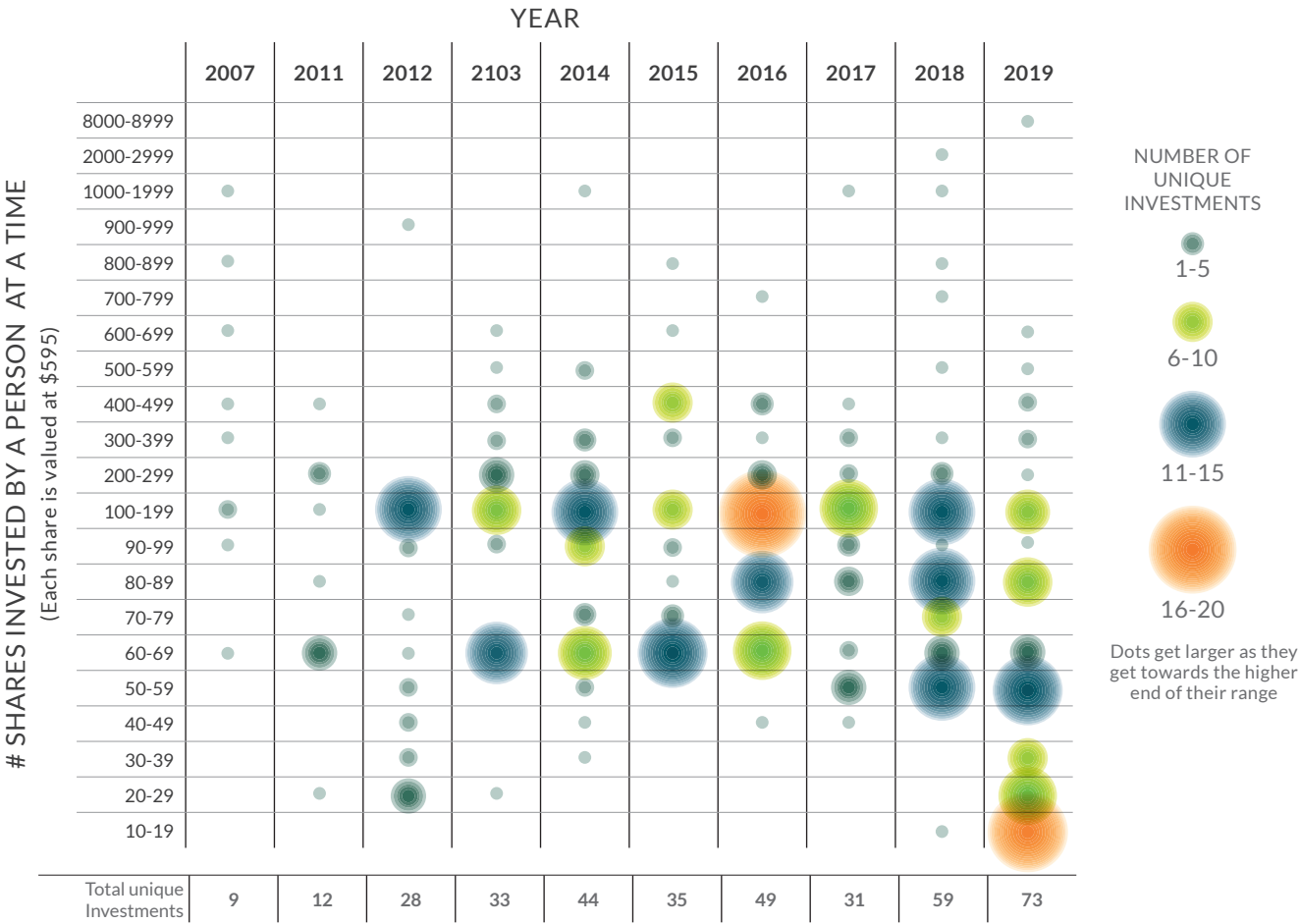
The Wepking Family  
Meadowlark Organics - Iowa County, WI



# 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.



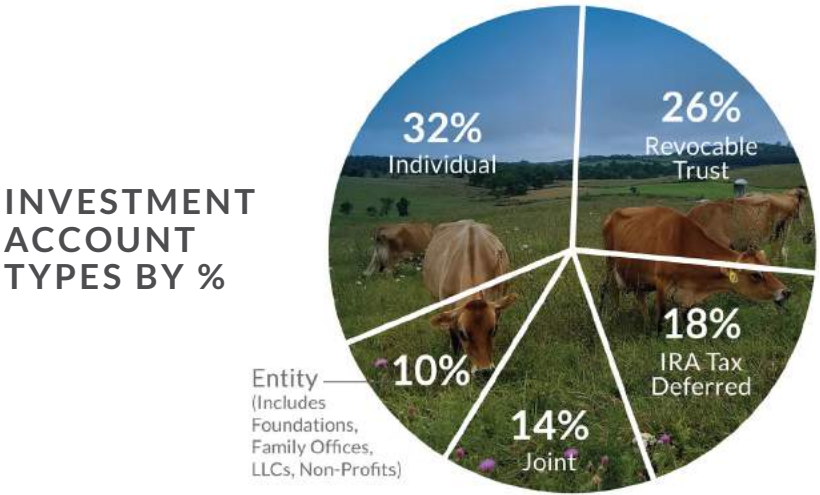
## GOALS

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.

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



# 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



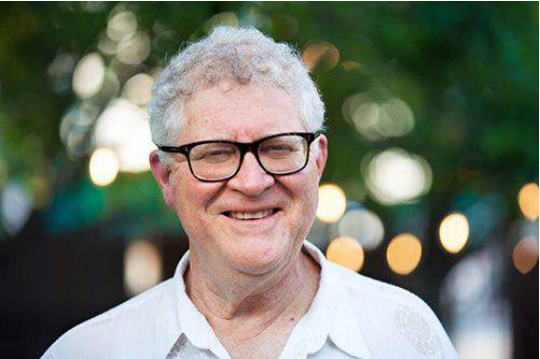
Garlic growing at Main Street Project - Dakota County, MN



# 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

59  
FARMS

12,411  
ACRES

40+  
INDIVIDUAL  
FARMER  
RELATIONSHIPS

14  
STATES

Land is essential to Iroquois Valley’s work. Farmland is a real asset because of its physical nature. The value of an investment in farmland is impacted by the ability of that land to support life season after season, as well as the marketability and profitability of what’s grown from the land. We work with organic farmers because they are focused on repairing the relationship between agriculture and nature. They make long-term investments into the land, building its productivity through practices that prioritize soil health, biodiversity, and the land’s ability to withstand climate change.

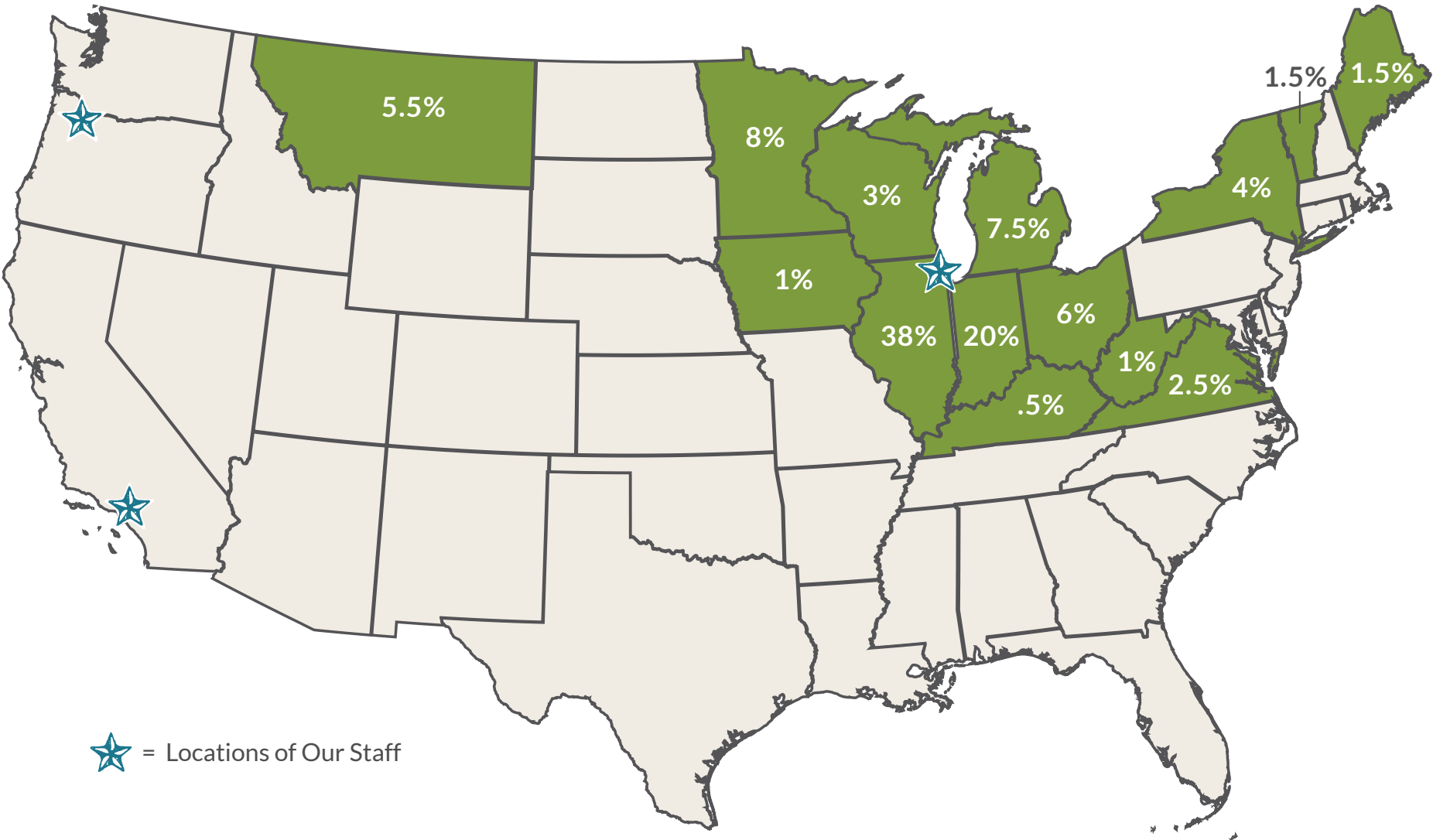
To measure our farmers’ impact on the land, we collect a variety of metrics around land use, geographic location, and specific practices. In 2019, Iroquois Valley began surveying its farmers about practices they use to build soil health. The survey was built in partnership with Delta Institute as a deliverable of our 2016 Conservation Innovation Grant. We started with a smaller sample size in order to troubleshoot the data collection process, so the results are not representative of the entire portfolio. Fifteen farmers were surveyed about practices covering 3,128 acres of Iroquois Valley owned or financed land.

We believe that land security enables land stewardship – we hope to continue enabling healthy food production, restoring soils, and improving water quality by partnering with more farmers on more land.

Most of our team works in a rented office in Evanston, IL but we also have fully remote staff in Portland, OR and Los Angeles, CA. We have included environmental initiatives at headquarters in this breakdown, but are primarily using the environment space to share the work our farmers are doing on land in Iroquois Valley’s portfolio. The B Corp Impact Assessment Environment section covers questions related to the company workspace.

## FARMLAND INVESTMENT MAP

Percentage of total investment portfolio by state



\$52,199,739  
CURRENT MARKET VALUE



# 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.



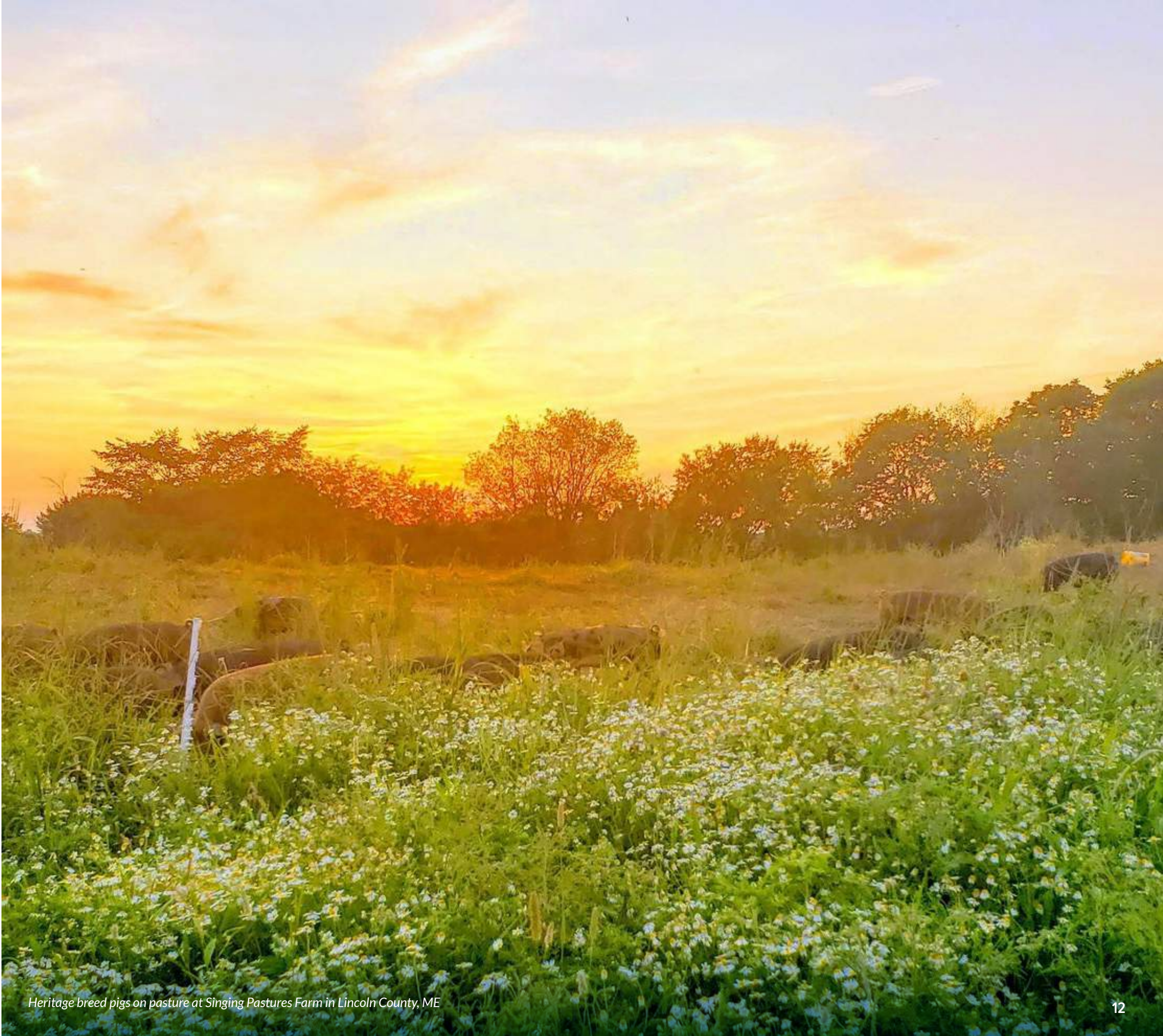
# OUR 3RD PARTY VERIFICATION

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](http://www.iroquoisvalley.com)

See our past impact reports:  
[www.iroquoisvalley.com/impact/](http://www.iroquoisvalley.com/impact/)

Reach out:  
[info@iroquoisvalleyfarms.com](mailto: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