



PUBLIC BENEFIT REPORT

2023





PHOTO ON COVER & THIS PAGE: LOCAVORE FARM

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Iroquois Valley is an organic farmland real estate investment trust. We envision an agricultural system transformed through land stewardship, rooted in organic farmland, for the health of people, communities, and our planet.

Incorporated as a Public Benefit Corporation & B Corp, we work with mission-driven investors to provide organic and regenerative farmers land security through long-term leases and mortgages.

Our public benefit report describes our impact by the categories identified in the B Lab Assessment, which we use as our third party verification. This report covers the period between January 1 to December 31, 2023. Our B Lab Impact Assessment Score is 107.1.

WELCOME

It is with immense gratitude for the work and support of our stakeholders that we present our 2023 Public Benefit Report. Without our Investors, Farmers, Team Members, and Board, the pursuit of our ambitious vision to transform agriculture would not be possible. As a result of the support from our stakeholders, our impact continues to grow and compound over time.

In 2023, Iroquois Valley adopted a new strategic plan where we envision an agricultural system transformed through land stewardship, rooted in organic farmland, for the health of people, communities, and our planet. We are actively investing in that vision by building the organizational capabilities – Marketing & Communications, Investor Relations & Business Development, Farmland Investments, and Finance & Operations – necessary to achieve our goals.

Our impact is centered around farmers, the environment, and human health. As of December 31, 2023, our portfolio totaled 30,000 acres in partnership with 65 farmers. 55% of our portfolio is certified organic, and 45% is in transition. Our research shows certified organic farmland is more profitable for our farmers, better for the environment, and leads to improved human health outcomes. With less than 2% of farmland in the U.S. certified organic, the opportunity for ecological and economic benefit is tremendous.

Another milestone was the successful launch of the Rooted in Regeneration Note, a new impact investment note in 2023 that provides support to socially disadvantaged farmers. Farmers in our portfolio are benefiting from direct reductions in monthly mortgage payments as a result of the support of our investors.

In 2024, we will continue to invest in our organizational capabilities to further our strategic vision. With our community of stakeholders, I am confident that our impact will only continue to grow.

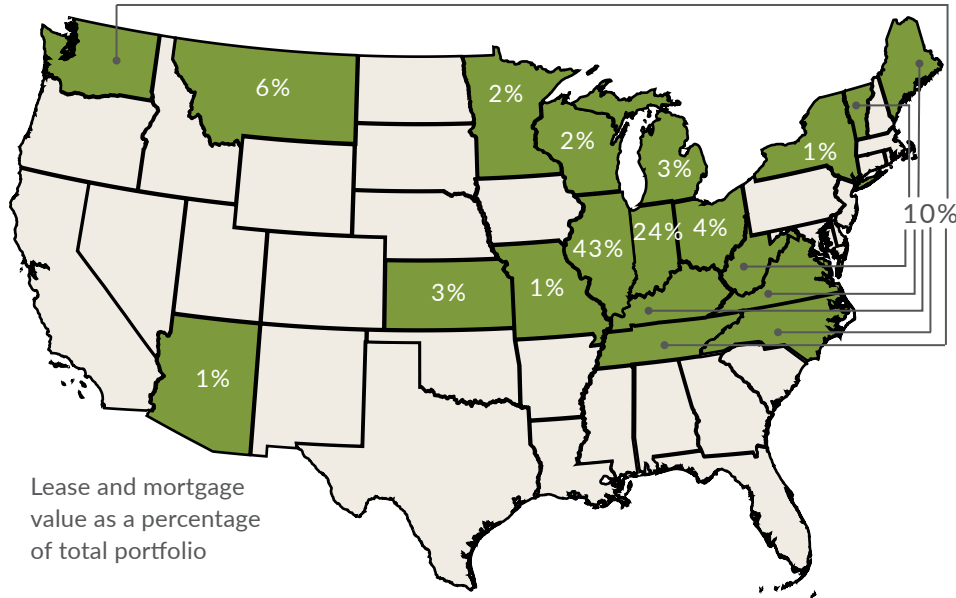
Sincerely,

Christopher Zuehlsdorff

Chris Zuehlsdorff | CEO



ENVIRONMENT | WHERE WE WORK



PORTFOLIO BREAKDOWN

116 INVESTMENTS

*Closed 16 transactions in 2023

30,600 ACRES*

*55% of our portfolio acreage is certified organic

19 STATES

YEAR-END ASSET VALUE: \$97.5 Million



ENVIRONMENT | WHERE WE WORK

Iroquois Valley's work to provide land security to organic farmers is based on the premise that land security enables land stewardship.

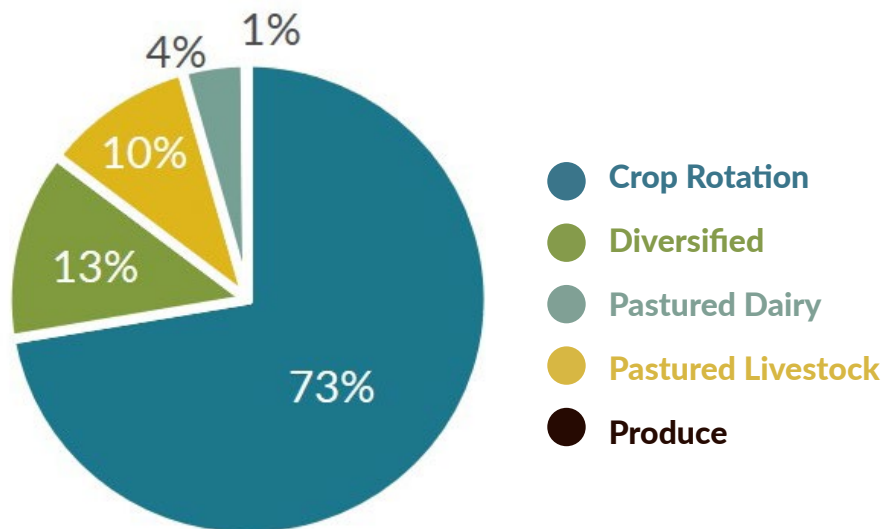
Research bears this out: in a recent study on US farmland ownership, tenure, and transfer, 70% of lease agreements were reported as annual cash rent agreements. This means that if a farmer wants to invest in longer-term soil health and conservation practices, they are often deterred because their annual lease may not be renewed and they don't have time to see those projects through.

Since our founding, we structured our leases as six-year agreements that are indefinitely renewable. At the end of a six-year term, the farmer earns an evergreen option to purchase the farm. We offer mortgages so that farmers can own land, and we also offer operating capital support as their businesses develop. At the close of 2023, our portfolio was 68% leases, 29% mortgages, and 3% operating capital investments.

SOIL HEALTH & CONSERVATION

Iroquois Valley conducts an annual soil health survey to learn about the practices our farmers use to improve soil health on the land they steward (practices we support through our Soil Restoration Pool). In 2023, we partnered with Earth Economics to enhance our survey. For all farmers completing the survey, 100% implement at least one and often several conservation practices that lead to increased soil health. The top 5 practices are cover cropping, composting, crop rotation, improving drainage and rotational grazing.

PRODUCTION MIX



SOIL RESTORATION POOL AWARDS

With continued support from our mission-aligned investors we were able to award grants to 16 farmers who committed to undertake a soil health improvement project. In 2023, the grant pool was the largest in our history, totaling approximately \$100,000. The projects that the farmers completed included planting cover crops, purchasing equipment to spread manure, adding fencing, and installing wells and underground irrigation.

ENVIRONMENT | WHERE WE WORK

THE PASTURAGE IN MONTAGUE, MI

FARMER: JULIE ENGEL

PROJECT: OPERATION SOIL FERTILITY

AWARD AMOUNT: \$8,000



PHOTO: JULIE'S HUSBAND, DAN, LOADS MANURE ONTO NEW DUMP TRAILER FUNDED BY SRP GRANT

HIGHLIGHTS FROM THE SOIL RESTORATION POOL PROGRAM

A previous Soil Restoration Pool grant funded Julie's mobile infrastructure to build an Aerated Static (compost) Pile (ASP). In the 2023 grant funding cycle, she built on this infrastructure to expand capacity, acquiring funding for a gooseneck dump trailer and a manure spreader to bring in horse manure from a neighboring farm. This impacts her farm positively by increasing organic soil matter over time.

Julie and her husband Dan are improving the ASP with the manure spreader by mixing bedding, manure, and other compostables with wood chips. Julie reported that "organic matter inputs increase our farm's water holding capacity which is critical in our silt-loam soils with underlying clay." Organic matter also spurs plant growth leading to greater yield and quality forage for the animals on her farm, decreasing Julie's dependence on buying hay, lowering operating costs.

According to Julie, "THE MOST EXCITING IMPACT, HOWEVER, IS THE ABILITY OF COMPOST TO SEQUESTER CARBON IN A NET POSITIVE WAY."

IMPACT | OUR RNR NOTE

SALVATIERRA FARM IN BRIDGEWATER TOWNSHIP, MN

FARMERS: REGINALDO & AMY HASLETT-MARROQUIN

On July 15, 2023, we issued a new impact note aimed at supporting Black, Indigenous and People of Color (BIPOC). These notes, called Rooted in Regeneration Notes (RNR Notes) provide that a portion of the interest earned by investors is contributed to a pool. The pool is used to fund a discount on mortgages for BIPOC farmers. In the 6 months following the launch, we issued over \$4 million of RNR Notes.

One of the first farms supported by the RNR Pool was Salvatierra Farm. Iroquois Valley is proud to support Reginaldo (Regi) and Amy Haslett-Marroquin with their acquisition of 75 acres in Bridgewater Township, MN, which will serve as the foundation for Salvatierra Farm. This farm will be pivotal for Regi's innovative agroforestry-based regenerative poultry system, designed to optimize land use while enhancing ecological health. The infrastructure will support a model that raises up to 4,500 broilers on just 1.5 acres and produces 2 million eggs annually with minimal land, fostering reforestation, soil regeneration, and carbon sequestration.



Amy is eager to develop medicinal herbs and flowers, contributing to the farm's diverse offerings, while their son Lars is set to continue the family's commitment to regenerative agriculture. Salvatierra Farm will also integrate into a regional network of BIPOC-led regenerative farms, further expanding the impact of Regi's system across the region. This farm represents a significant step in their mission to scale sustainable farming practices and support local agricultural communities.

"Building a farm to call home will allow me to move into the last stage of my own life's journey as a new immigrant who aspired to farm in this country but did not want to go at it alone. My farm can now be part of a system designed to aggregate our individual operations and build an interdependent system with other established farmers, but especially other BIPOC community members who identify with my own situation and want to work collectively." – REGINALDO

CLIENTS | OUR FARMERS

FARMER RELATIONSHIPS: 65

REINVESTMENT TRANSACTIONS: 8

In 2023, we completed eight reinvestment transactions with farmers already in our portfolio. These reinvestments highlight the effectiveness of our relationship-based approach and the tailored products we offer, which support farmers through the challenges of organic transition. Our six-year purchase-lease agreements and interest-only mortgages empower farmers with the long-term perspective necessary for continued growth and success. For example, one of our 2023 reinvestments involved Ross Wilken of Janie's Farm. A strong farming partner to Iroquois Valley, Ross and his father, Harold, have worked with our team on six farmland purchases since 2007.

CLIENT SOURCE: 2023

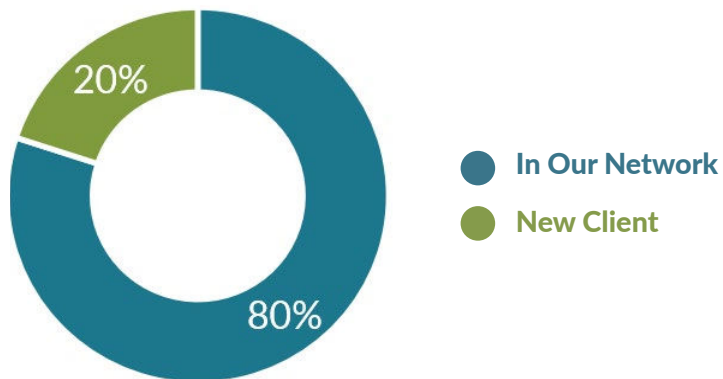




PHOTO: TULIP TREE FARM

CLIENTS | OUR FARMERS

FARMER DEMOGRAPHICS

WOMEN FARMERS: 71%

Women involved in farm operations and decision-making.

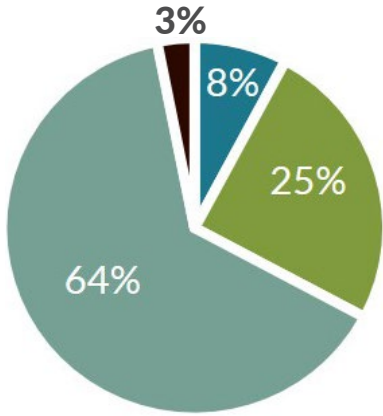
BIPOC FARMERS: 9%

Black, Indigenous, People of Color involved in farm operations and decision-making.

GENERATIONAL SUPPORT: 44%

Farmers working with the next generation to directly support farmland transfer.

AVERAGE FARMER AGE



INVESTMENTS IN YOUNG FARMERS

\$14.7 Million



2022

\$8.3 Million



2023

COMMUNITY | OUR INVESTORS

In 2023, Iroquois Valley made significant strides in expanding our investor community, welcoming 44 new shareholders and 13 new noteholders. We also broadened our network of financial advisors by adding 6 advisory firms into our ecosystem.

As of December 31, 2023, we are excited to report that our REIT includes nearly 700 shareholders, all of whom contribute to supporting independent organic farmers. The value of our shares increased significantly from \$801 per share as of January 1st, 2023 (prior to the 8:1 stock split) to \$110 per share as of December 31st, 2023, marking a 10% increase.

This increase in share value directly reflects the appraised value of Iroquois Valley's farmland portfolio, which mirrors the farmland values in our investment regions. Between 2022 and 2023, farmland values grew considerably. In response, our Board of Directors continues to ensure that our shares are valued twice a year to represent the land's value accurately.

“Most investments of capital have extraction or exploitation as a core component of their profit-making strategy. When I first heard about Iroquois Valley, my first thought was, ‘Here is a rare opportunity to make a profitable long-term investment that supports ecosystems and may perform well in an economy beset by creeping inflation.’”

— Joseph Frankovic

INVESTOR TYPE

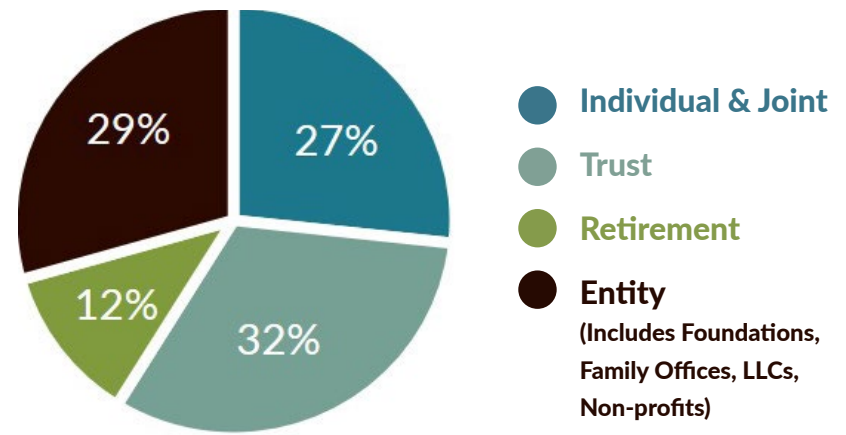


PHOTO: ELI'S RIDGE



TEAM | OUR STAFF

As of December 31, 2023, Team Iroquois Valley was made up of 12 employees working remotely across the United States. Just as the organization invested in building organizational capabilities to support the strategic plan, it is equally important to invest in our human capital.

We continued to expand our employee benefits in 2023 to include a 401(k) match as part of our Socially Responsible Investing (SRI) 401k plan, and paid parental leave. These benefits are in addition to a comprehensive healthcare package covering health, vision, dental, disability; and a flexible spending account (FSA), life insurance, and AD&D insurance. We maintain an Employee Assistance Program for employees and their families that provides counseling, financial, and family care resources; education assistance for employees, and a generous paid time off and holiday schedule.

With approval of our shareholders, Iroquois Valley added an equity incentive plan to further align employees with all of our stakeholders.

GOVERNANCE | OUR BOARD

As of December 31, 2023, Iroquois Valley was governed by a 10-person Board of Directors. Our directors are elected by shareholders at our annual shareholder meeting for terms ranging from two to five years. The board demographics include four women and two people of color. The Directors have backgrounds in real estate, medicine, finance, law, executive business leadership, and farming.

In 2023, the Board held five meetings and attended two offsites with the full staff.

BOARD ACCOMPLISHMENTS

In early 2023, the Board added one new member, our current CEO, Chris Zuehlsdorff. Chris joined the Company about seven months earlier as COO. During that time, he demonstrated that he had the skills necessary to lead the Company and continues to impress the Board with his abilities and accomplishments.

The Board worked with the staff to develop a strategic plan. The team began by reiterating the Company's vision of an agricultural system transformed through land stewardship, rooted in organic farmland, for the health of



people, communities, and our planet. Given the magnitude of the vision, the team identified the key capabilities and began implementation at the end of the year.

One of the key components of the Strategic Plan is to be able to support farmers with philanthropic grants in addition to loans. The company formed a nonprofit several years ago called Healing Soils Foundation (HSF). The Board, in consultation with legal counsel, decided to re-structure the Company's relationship with HSF, and it became the sole member of the Foundation. The Board also appointed

a temporary Board of Directors for the Foundation. The temporary Board is tasked with hiring an Executive Director to manage the Foundation in 2024.

Finally, the Board ended the year by saying goodbye to their longtime colleague, Malaika Maphalala. Malaika was on the Company's Board for six years, serving as a critical resource to help the Company reach a broader network of impact investors and to understand their motivation for investing. The Governance Committee of the Board will search for candidates to recommend to replace Malaika.

VALUES & PRINCIPLES

COURAGEOUS IN OUR CONVICTIONS

We are bold and ambitious in our ideation, planning, and communication because we understand the gravity and immediacy of the challenges before us.

RESPONSIBLE FOR RESULTS

We take responsibility for achieving the impacts and outcomes essential to our vision.

COLLABORATING FOR GREATER IMPACT

We recognize we can't achieve our vision alone. We each bring unique skills that make us stronger.

RESPECT, INTEGRITY & INCLUSION

These are our 'Permission to Play' Values. Also known as 'underlying' values, these are fundamental to our organization and its effectiveness.



GOALS

OUR STRATEGIC PLAN ARTICULATES AN AMBITIOUS VISION TO TRANSFORM AGRICULTURE.

During the year we identified six strategic capabilities necessary to realize our vision and our long-term goals are reflected in those capabilities:

1. FARM FINANCE & FARMLAND ACQUISITION

A large, diverse portfolio of farmland and farmers is required to achieve our vision of transforming agriculture through organic land stewardship. To achieve this goal a more proactive land acquisition strategy will be required.

2. COMMUNICATIONS LEADERSHIP & EXPERTISE

A strategic communications function is critical to establishing effective marketing and outreach activities, as well as supporting internal communications.

3. STRONG FINANCIAL MANAGEMENT & A STREAMLINED OPERATIONAL PLATFORM

As the company balances raising capital, building the team, and making farmland investments, strong financial management is essential to ensure that our financial position remains balanced and secure.

4. FUNDRAISING STRENGTH

A strong fundraising capability enables the organization to diversify and grow its investor base by attracting equity capital from a broader audience of mission-aligned investors and engaging with strategic capital providers.

5. PRODUCT & PROGRAM DEVELOPMENT

Iroquois Valley uses finance as a tool to achieve its mission. With a history of offering innovative financial products and services that serve our farmers and investors, the company needs to continue to develop this organizational strength by offering new products and programs to its stakeholders.

6. CULTIVATING STRATEGIC PARTNERSHIPS

The company's vision to "transform agriculture" is incredibly ambitious and beyond the scope of what any single entity can achieve. Harnessing the power of partnerships and networks is essential to Iroquois Valley's success in this next era. Exploration of different types of partnerships will be of strategic importance to Iroquois Valley.

FOR MORE INFORMATION

VISIT OUR WEBSITE:
IROQUOISVALLEY.COM

REACH OUT:
INFO@IROQUOISVALLEYFARMS.COM



This report is not an offer to sell or a solicitation of an offer to buy any securities from Iroquois Valley. Sales of securities shall only be made in compliance with applicable securities laws, and through appropriate offering documents providing detailed disclosures regarding the Company's business and the risks of investment. 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. Past performance is not an indication of future results.



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