

# Gladstone Land Provides Business Update

**MCLEAN, VA / ACCESSWIRE / October 6, 2022** /Gladstone Land Corporation (Nasdaq:LAND) ("Gladstone Land" or the "Company") announced that, in light of the recent price volatility of its common stock (largely consistent with the overall market), it is providing the following business update:

**Inflation Hedge:** With inflation continuing to hover near the highest rates seen in over four decades, farmland continues to act as a strong hedge against inflation. According to the U.S. Bureau of Labor Statistics, CPI grew at an annual rate of 8.3% through August 2022. However, food prices have continued to outpace the rate of inflation, with the overall food segment increasing by 11.4% over that same period, and the food at home segment (which encompasses the majority of the crops grown on Gladstone Land's farms) growing by 13.5%. In addition, according to the NCREIF Farmland Index, which, as of June 30, 2022, consisted of over \$14.6 billion of farms across the U.S., the total return on U.S. farmland (including appreciation and income) was 9.7% for the 12 months ended June 30, 2022 (results released quarterly).

**Occupancy and Cash Collections:** Gladstone Land's farms continue to be 100% leased, and the Company has collected approximately 97.7% of year-to-date base cash rents owed through September 30, 2022. The remaining portion of approximately \$1.2 million is currently expected to be collected in full by the end of the year.

**Lease Renewals and Upcoming Expirations:** Since June 30, 2022, the Company has renewed or extended six leases on certain of its farms located in Arizona, California, and Florida. In aggregate, these renewals are expected to result in an increase in annual net operating income of approximately \$281,000, or 9.8%, from that of the prior leases. The Company does not have any more agricultural leases expiring in 2022 and only has one agricultural lease expiring in the first half of 2023, which makes up less than 0.5% of its total annual lease revenues. Management currently expects the renewal of this lease to be flat-to-slightly-higher relative to the current lease.

**Current Debt and Increases in Interest Rates:** Gladstone Land currently has approximately \$642.7 million of total debt outstanding (excluding mandatorily redeemable term preferred stock). Over 99.8% of these borrowings are at fixed rates, and on a weighted-average basis, the interest rate on these borrowings is fixed at just 3.26% for the next 5.1 years. As such, management believes its current debt situation is well-protected against continued interest rate increases, as is currently expected.

**Current Liquidity:** The Company currently has available liquidity of approximately \$172.3 million, consisting of approximately \$45.0 million in cash on hand and approximately \$127.3 million of availability under our credit facility with MetLife and other undrawn notes or bonds. In addition, Gladstone Land currently has certain properties valued at a total of approximately \$104.8 million that are unencumbered and eligible to be pledged as collateral.

**Hurricane Ian:** Representatives from Gladstone Land have spoken with its tenant-partners across the State of Florida. While the Company is still assessing the overall impact of the

hurricane, early reports indicate only minor damage to a couple of farm-related buildings and irrigation systems, all of which is covered by insurance. Some farmers also reported delayed plantings for certain crops and crop loss in some fields due to the amount of surface water produced by Hurricane Ian; however, the Company does not currently anticipate these delays to cause any interruption in rental payments. The Company notes that its two citrus groves in St. Lucie County (the only permanent crop farms it owns in the state) made it through the storm without any notable damage to the trees. Gladstone Land is grateful to have come out relatively unscathed given the strength of this historic storm and continues to keep those in mind who were negatively impacted as a result of the hurricane.

**Western Drought:** The drought in the West continues to persist, and many farmers are in need of more rain and a strong snowpack this winter to maintain optimal yields on their farms, including certain of our tenants. But at this time, none of the Company's farms are impaired as a result of the drought. The Company continues to see increasing demand for farmland by growers in certain markets, resulting in upward pressure on rental rates. In addition, values of farmland with poor water resources are generally trending down, while farmland with good water access is showing a sharp increase in value, hence Gladstone Land's continued efforts to increase the amount of water availability on its farms. The Company continues to work on projects to enhance the water security of its western portfolio, including, but not limited to, additional water purchases, installation of new pipelines, and improvements to existing irrigation systems. Critically dry cycles, like the one the West is currently experiencing, is why the Company purchased 45,000 acre-feet (equal to approximately 14.7 billion gallons) of banked water last year (none of which has been used to date) and continues to look at other opportunities to acquire additional water.

**Comments from David Gladstone:** "Farmland investments are often viewed as a vehicle to hedge against certain negative macroeconomic factors of both high inflation and recessionary concerns. We believe our portfolio of farmland holdings is poised to benefit from continued high inflation, as inflation typically puts upward pressure on both land values and rental rates, thus increasing the value of our portfolio and its income stream. Crop pricing is also expected to see inflationary increases over time, which will benefit our tenants' profit margins, as well as lead to higher participation rents for us. Outside of the almond market, most crops grown on our properties are seeing strong demand and increasing prices that are mostly outpacing the cost increases of growing these crops. As the probability of a recession looks more likely, we expect demand for food and crop pricing to stay strong, with some sectors experiencing exceptionally strong increases. As an overall asset class, farmland investments have historically performed well during recessions."

### **About Gladstone Land Corporation:**

Founded in 1997, Gladstone Land is a publicly traded real estate investment trust that acquires and owns farmland and farm-related properties located in major agricultural markets in the U.S. and leases its properties to unrelated third-party farmers. The Company, which reports the aggregate fair value of its farmland holdings on a quarterly basis, currently owns 169 farms, comprised of over 115,000 acres in 15 different states and 45,000 acre-feet of banked water in California, valued at a total of over \$1.5 billion. Gladstone Land's farms are predominantly located in regions where its tenants are able to grow fresh produce annual row crops, such as berries and vegetables, which are generally planted and harvested annually. The Company also owns farms growing permanent crops, such as

almonds, apples, cherries, figs, lemons, olives, pistachios, and other orchards, as well as blueberry groves and vineyards, which are generally planted every 10 to 20-plus years and harvested annually. Approximately 40% of the Company's fresh produce acreage is either organic or in transition to become organic, and over 10% of its permanent crop acreage falls into this category. The Company may also acquire property related to farming, such as cooling facilities, processing buildings, packaging facilities, and distribution centers. Gladstone Land pays monthly distributions to its stockholders and has paid 116 consecutive monthly cash distributions on its common stock since its initial public offering in January 2013. The Company has increased its common distributions 27 times over the prior 30 quarters, and the current per-share distribution on its common stock is \$0.0456 per month, or \$0.5472 per year. Additional information, including detailed information about each of the Company's farms, can be found at [www.GladstoneLand.com](http://www.GladstoneLand.com).

Owners or brokers who have farmland for sale in the U.S. should contact:

- Western U.S. - Bill Reiman at (805) 263-4778 or [bill.r@gladstoneland.com](mailto:bill.r@gladstoneland.com), or Tony Marci at (831) 225-0883 or [tony.m@gladstoneland.com](mailto:tony.m@gladstoneland.com);
- Mid-Atlantic U.S. - Joey Van Wingerden at (703) 287-5914 or [joe.v@gladstoneland.com](mailto:joe.v@gladstoneland.com); or
- Southeastern U.S. - Bill Frisbie at (703) 287-5839 or [bill.f@gladstoneland.com](mailto:bill.f@gladstoneland.com).

Lenders who are interested in providing Gladstone Land with long-term financing on farmland should contact Jay Beckhorn at (703) 587-5823 or [jay.beckhorn@GladstoneCompanies.com](mailto:jay.beckhorn@GladstoneCompanies.com).

For stockholder information on Gladstone Land, call (703) 287-5893. For Investor Relations inquiries related to any of the monthly dividend-paying Gladstone funds, please visit [www.GladstoneCompanies.com](http://www.GladstoneCompanies.com).

#### CAUTION CONCERNING FORWARD-LOOKING STATEMENTS:

*All statements contained in this press release, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of the foregoing words and similar expressions are intended to identify forward-looking statements. Readers should not rely upon forward-looking statements because the matters they describe are subject to known and unknown risks and uncertainties that could cause Gladstone Land's business, financial condition, liquidity, results of operations, funds from operations or prospects to differ materially from those expressed in or implied by such statements. Such risks and uncertainties are disclosed under the caption "Risk Factors" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the "Form 10-K"), as filed with the SEC on February 22, 2022, and certain other documents filed with the SEC from time to time. Gladstone Land cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.*

*For a definition of net asset value and a reconciliation to the most directly comparable GAAP*

*measure, please see the Company's Form 10-K.*

For further information: Gladstone Land, 703-287-5893

**SOURCE:** Gladstone Land Corporation

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