

# Gladstone Land Releases Annual Row Crop Statistics Supporting Its Investment Strategy

MCLEAN, Va., Oct. 22, 2015 (GLOBE NEWSWIRE) --[Gladstone Land Corporation](#) (NASDAQ:LAND) (the "Company") released certain annual row crop statistics associated with growing fresh fruits and vegetables versus growing traditional commodity crops, such as corn, wheat and soybeans.

Below is a table that compares the revenues, profits and rental capitalization rates ("cap rates") across various row crops. The data was obtained from various sources, including the U.S. Department of Agriculture ("USDA"), UC Davis College of Agricultural and Environmental Sciences ("UC Davis") and the American Society of Farm Managers and Rural Appraisers ("ASFMRA"). The figures in the table represent data for the 2013 growing season, the most recent year with verified data figures released for the crops profiled below:

**Annual Row Crops: 2013 Revenue, Cost and Yield Profiles in Prime Growing Regions**

	Strawberries <sup>(1)</sup>	Lettuce <sup>(2)</sup>	Corn <sup>(3)</sup>	Wheat <sup>(4)</sup>	Soybeans <sup>(4)</sup>
<b>Grower Data:</b>					
Average Production per Acre	66,500 lbs.	32,000 lbs.	9,240 lbs.	3,762 lbs.	2,700 lbs.
Average Price per Pound	\$0.80	\$0.33	\$0.08	\$0.11	\$0.22
Gross Revenue per Acre	\$53,067	\$10,424	\$757	\$424	\$604
Operating Costs	(\$41,704)	(\$8,420)	(\$364)	(\$188)	(\$166)
Gross Profit	\$11,363	\$2,004	\$394	\$236	\$437
Rent per Acre	(\$3,927)	(\$977)	(\$201)	(\$137)	(\$185)
Other Overhead Costs	(\$2,866)	(\$376)	(\$145)	(\$107)	(\$123)
<b>Grower Net Income (before Government payouts)</b>	<b>\$4,570</b>	<b>\$652</b>	<b>\$48</b>	<b>(\$8)</b>	<b>\$130</b>
<b>Land Data:</b>					
Price per Acre	\$75,000	\$23,000	\$7,900	\$6,980	\$6,980
Rent per Acre	\$3,927	\$977	\$201	\$137	\$185
<b>Cap Rate (Rent+Price per Acre)</b>	<b>5.24%</b>	<b>4.25%</b>	<b>2.54%</b>	<b>1.96%</b>	<b>2.65%</b>

(1) Grower production and price data based on a weighted blend of fresh and processed strawberries grown in California per 2013 USDA data. Grower cost data per a 2011 UC Davis study of sample costs to produce strawberries in Ventura County, adjusted for inflation to reflect 2013 prices. Land price per acre based on average row crop farmland prices in Ventura County per 2013 ASFMRA data.

(2) Grower production, price and cost data per a 2009 UC Davis study of sample costs to produce iceberg lettuce heads; prices and costs adjusted for inflation to reflect 2013 prices. Land price per acre based on average row crop farmland prices in California's Central Coast per 2013 ASFMRA data.

(3) Grower production, price and cost data per planted acre in the Cornbelt region per 2013 USDA data (assuming 56 pounds of corn per bushel). Land price per acre based on average Illinois cropland prices per 2013 USDA data.

(4) Grower production, price and cost data per planted acre in the Cornbelt region per 2013 USDA data (assuming 60 pounds of wheat/soybeans per bushel). Land price per acre based on average cropland prices in the Cornbelt region per 2013 USDA data.

In comparing an average farmer who grows strawberries against an average farmer growing corn, the above table reveals the following points:

- In 2013, an acre of land growing corn in the Midwest earned gross revenue of \$757, as compared to gross revenue of \$53,067 for an acre of land growing strawberries in California, meaning an acre of California strawberry ground can produce gross returns that are more than 70 times greater than those produced by an acre of corn in the Midwest. A farmer with 10,000 acres in corn in the Midwest would only need approximately 143 acres of strawberry ground in California to generate the same amount of revenue.
- In 2013, at the average market price of 8 cents per pound for corn (\$4.59 per bushel), a farmer growing corn in the Midwest earned net income of approximately \$48 per acre, while, at the average market price of 80 cents per pound for strawberries, a farmer growing strawberries in California earned net income of approximately \$4,570 per acre. Based on these figures, a farmer growing strawberries in California can expect to earn net income that is over 95 times more than that of a farmer growing corn in the Midwest, before any government or crop insurance payouts.
- According to 2014 ASFRMA data, the average annual market rent for prime strawberry ground (which is the Company's primary investment focus) in California is approximately \$4,000 per acre, compared to just \$201 per acre for that of prime corn ground, according to 2014 USDA data. Furthermore, while prime strawberry farmland is priced much higher than corn farmland, prime strawberry farmland typically offers cap rates above 5%, while cap rates for corn farmland are generally below 3%.

The Company believes that these statistics strongly support its investment strategy of leasing a portfolio of farmland concentrated primarily in growing strawberries and other high-value fruits and vegetables, as these types of farms are generally more profitable and less volatile than those growing commodity crops. The superior revenue and profit generated on these types of properties provides more net income to their operators and higher rental rates to the lessor. Furthermore, comparing the above 2013 figures against current market prices, corn prices have dropped more than 23%, to roughly 6 cents per pound (\$3.50 per bushel), while strawberry prices have risen modestly, surpassing the average price of 80 cents per pound used in the table above. In addition, many properties in the Company's farmland portfolio include fruit and vegetable farmers with production figures that surpass the averages used in the table above.

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

Gladstone Land is a real estate investment trust that pays monthly distributions to its stockholders. The Company invests in farmland located in major agricultural markets in the United States that it leases to corporate and independent farmers and intends to report the current value of its farmland on a quarterly basis. As of June 30, 2015, the net asset value of the Company was \$13.42 per share. The Company currently owns 41 farms, comprised of 14,880 acres in 6 different states across the U.S., valued at approximately \$261 million. Its acreage is predominantly concentrated in locations where its tenants are able to grow row crops, such as berries and vegetables, which are planted and harvested annually or more frequently. The Company also owns land with permanent crops (those planted

every 10 to 20-plus years), such as blueberries and almonds. The Company also may acquire property related to farming, such as storage facilities utilized for cooling produce, processing buildings, packaging facilities and distribution centers. The Company has paid 32 consecutive monthly cash distributions on its common stock since its initial public offering in January 2013. The current per-share distribution is \$0.04 per month, or \$0.48 per year.

Additional information can be found at [www.GladstoneLand.com](http://www.GladstoneLand.com) and [www.GladstoneFarms.com](http://www.GladstoneFarms.com).

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

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

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Source: Gladstone Land Corporation