



Agriculture Capital

REGENERATIVE FOOD THE VALUE OF SCALE

2018 IMPACT REPORT

Results through December 2018



WHAT'S INSIDE

- 2 The AC Way: Collaboration for regenerative solutions
- 3 How responsibility and risk management drive returns
- 5 Regenerative agriculture builds thriving soils
- 7 Managing water and energy for a changing climate
- 8 Minimizing waste to maximize value
- 9 Supporting pollinators with habitat and responsible chemical use
- 10 A new model for growing healthy communities
- 11 Forward thinking
- 12 2018 resource data



OUR PURPOSE & MISSION

GROWING ACCESS TO BETTER HEALTHIER FOOD TOGETHER



Once again, Agriculture Capital is pleased to provide this update on our impact activities for the 2018 calendar year. AC's impact comes from improving our business by regenerating critical ecosystem services, natural resources, and community well-being. Our operations are grounded in our established objectives to produce healthier food, advance responsible production of that food, and grow access to that food through scale.

For definition, ecosystem services are essentially the benefits that society receives from a healthy environment to support our communities, businesses, and quality of life. Natural resources represent the water, air, soil, and beneficial flora/fauna that sustain working landscapes. Lastly, community well-being encompasses the core elements of thriving human communities — good jobs, educational opportunities, access to health and nutrition, and a clean and safe environment.

As an integrated team at Agriculture Capital, we welcome you to our mission and to our community. We are building a growing network of agricultural and food processing operations across the world, and collectively, we are working to achieve our vision of a food system that represents a forward-thinking perspective on the health of the planet and its people. This report marks our third such update on our efforts to enhance our business results through environmental and social impact.

Regenerating through food

Our community is broad. It starts with investors who make our organization possible with their commitment to a mission-driven agricultural model. Many of our investors represent the futures of real working people who seek to align the needs of their own families with sustainable enterprises that support ecological health and human prosperity. Similarly, our community relies upon dedicated individuals who comprise our field teams who prune and weed crops and harvest and sort fruit, our farmers and facility managers, our agronomists and irrigation specialists, our crew and pack line supervisors, our demand planners, our sales and marketing teams, and so many more. And fundamentally, our focus on food depends on the consumers who seek out and purchase our fruits and nuts to support their families.

We are proud to be able to unite all of these people around our vision for the future of food. Together, we are at our best and the way we communicate about our experience and knowledge helps us share a regenerative mindset. The positive impacts captured in this report represent an incomplete snapshot of the continuing energy that our teams bring to this work.

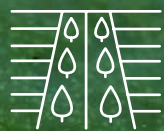
THE AC WAY

COLLABORATION FOR REGENERATIVE SOLUTIONS

While AC has great confidence in the expertise of on-the-ground operators to drive excellence and industry leadership, we also recognize the importance in moving our teams toward common priorities and outcomes around risk and responsibility. Our tiered AC Way regenerative management framework is focused on that dual purpose and aligns with other

high-integrity impact management tools. The framework is far-reaching — from food safety and nutrition, to workplace quality and opportunity, to input efficiency and innovative natural resource management — and has already helped us replicate the following practices with value both economic and societal.

SELECT AC WAY PRACTICES



Hedgerows and habitat

Thriving native vegetation features on our farms support pollinators and pest-hungry beneficial insects and bolster crop production.



Cover crops

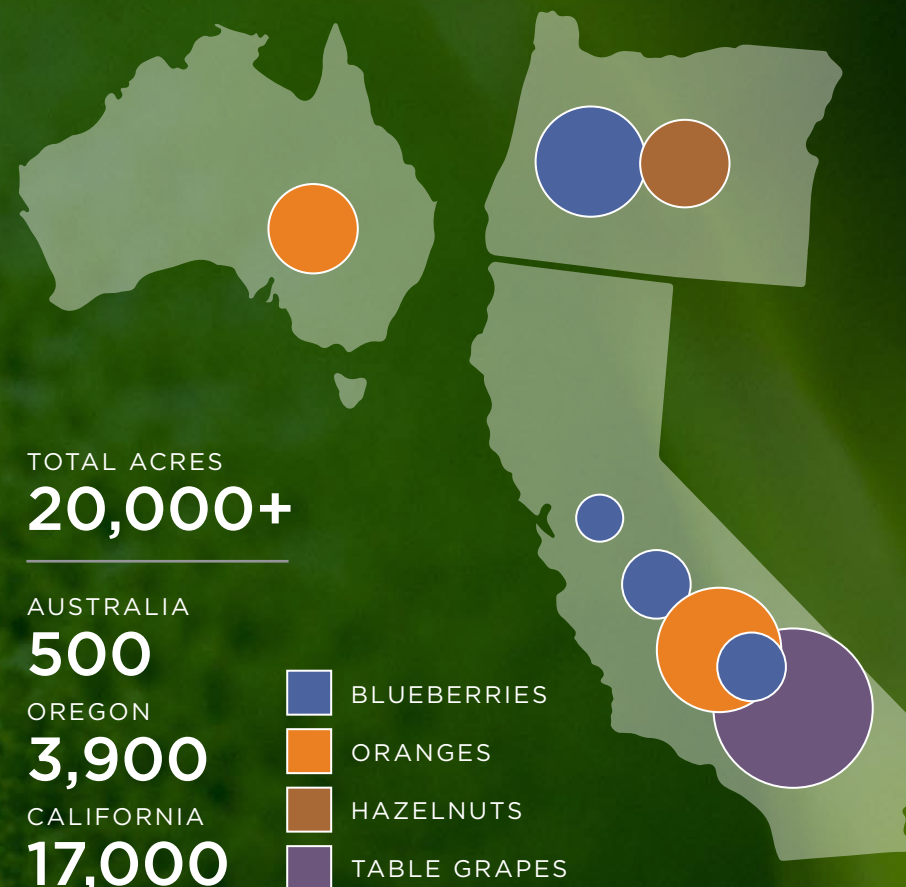
Vegetation between crop rows reduces erosion, traps and holds carbon, retains water and nutrients, and improves water quality.



Water resilience

Storing and banking water through infrastructure, recharge, and process recapture helps us prepare for changing climatic and hydrologic conditions. We actively manage nearly 200 million gallons this way.

GEOGRAPHY



As momentum builds around the adoption of global yardsticks that motivate impact in essential areas, we consider it imperative to coordinate our efforts with the most robust and purposeful initiatives. Our activities align with most of the 17 United Nations' Sustainable Development Goals (SDG), several of the 80 Project Drawdown climate stability solutions, and the United Nations' Principles for Responsible Investment (our first assessment report posted earlier this year).

A key which appears on subsequent pages corresponds to the actions below embedded in our work.

UN Sustainable Development Goals

- 2 Zero Hunger
- 3 Good Health and Well-being
- 4 Quality Education
- 5 Gender Equality
- 6 Clean Water and Sanitation
- 7 Affordable and Clean Energy
- 8 Decent Work and Economic Growth
- 9 Industry, Innovation and Infrastructure
- 12 Responsible Consumption and Production
- 13 Climate Action
- 14 Life Below Water
- 15 Life on Land
- 17 Partnerships for the Goals

Project Drawdown Solutions

- 11 Regenerative Agriculture
- 16 Conservation Agriculture
- 23 Farmland Restoration
- 38 Forest Protection
- 44 LED Lighting (Commercial)
- 51 Perennial Biomass
- 56 Industrial Recycling
- 60 Composting
- 65 Nutrient Management
- 67 Farmland Irrigation

Signatory of:



sustainabledevelopment.un.org drawdown.org

HOW RESPONSIBILITY AND RISK MANAGEMENT DRIVE RETURNS

While the AC Way is designed to help our teams identify opportunities for positive value creation in everything they do, it is a structured risk management framework at its core. We believe when we bring a sense of responsibility — for the planet, for our communities, for our employees, and for our consumers — it represents a mindset that fundamentally helps us reduce exposure to risk.

There is an indelible link between risk, responsibility, and returns. As our business has evolved, we've grown to

view risks as opportunities with the recognition that activities that create positive social and environmental impact can ultimately deliver increased performance and returns to our investors. Our regenerative management program is structured to help our teams think beyond compliance in their work and to align impact activities with the “real work” they do. We are proud to be helping pioneer solutions to challenges at the heart of the agricultural practice and the following examples represent major areas of focus:



Labor access and efficacy

Risk: Specialty crops are labor-intensive to grow and physically demanding on workers. The current labor market is competitive with issues around recruitment and retention.

Return: More productive, engaged, and efficient teams and passionate management. Reduced recruitment and retention costs.

🔗 **Action:** By providing stable, year-round employment with career advancement, upskilling and leadership opportunities, we can build an environment that ensures equal opportunities, support and communication.

Food safety

Risk: In modern, complex food systems, food safety issues can quickly spread and erode consumer trust.

Return: Consumer loyalty and health; business continuity.

🔗 **Action:** Nurture consumer interest in nutrient-dense foods by providing a safe and delicious food supply. Invest in state-of-the-art processing to increase traceability/transparency.





Halls Ferry Farm

Greenhouse gas emissions

Risk: The agriculture industry is a significant contributor to the emission of greenhouse gases and the economic, biological, and societal risk those emissions create.

Return: Decreased exposure to regulatory risk with the potential to benefit from carbon pricing schemes.

⬆️ Action: Advance regenerative agriculture management to reduce climate impacts, optimizing input applications and stewarding soil and biomass carbon stocks.

Chemical responsibility

Risk: Consumer, worker, and environmental health; regulatory compliance.

Return: Operations that run efficiently, without waste and lost time, and inspire consumer trust and wellbeing.

Action: Measure chemical use and inventories for cost savings and minimize chemical use where possible. Make cost-effective purchasing decisions at the leading edge of greener chemistry.

Impacts of climate change

Risk: Climate change is disrupting global and regional weather systems and temperatures, threatening water resources, pollinator health, and supply chain stability.

Return: Practices that contribute to farm and facility resilience in the face of climate disruption helps reduce uncertainty.

⬇️ Action: Employ regenerative practices like cover cropping and no- or reduced-till farming that improves soil biodiversity and carbon-holding potential; establish permanent crop operations to lock up woody biomass; protect and restore habitat and native species diversity across locations and crop types.



Mowbray Farm

Energy & fuel management

Risk: Our facilities, irrigation infrastructure, packing operations, and vehicles require significant energy to run, and a reliance on fossil fuels increases exposure to energy price volatility.

Return: Energy cost reduction and stabilization.

Action: Investing in solar projects to reduce the fossil energy footprint of our business. Widespread technology upgrades, including energy-efficient LED lighting, variable frequency drives, and refrigeration systems.



Near Griffith Farms

Water management

Risk: Uncertain availability and volatile economic impacts amidst persistent drought conditions is a risk to operational growth and success; physical risk to water conveyance infrastructure.

Return: Improved water and nutrient cost management, higher yields, and long-term water security with investment implications.

⬆️ Action: Measure water use; invest in technologies such as drip irrigation and moisture sensors; leverage scale of operations to allocate water efficiently while contributing to watershed and groundwater health in basins struggling with scarcity.

REGENERATIVE AGRICULTURE BUILDS THRIVING SOILS

We consider the health of our crops and our soils inextricably linked, and place soil health and responsible land management at the core of our investment strategy. We must nurture soils with the same attention and care that we use in managing our crops. In addition to growing food, we rely on vital soil to filter and store water and buffer against disasters like floods. Simply put, healthy soils contribute enormous value to our communities and our economies.

Boosting soil carbon, reducing soil loss, and enriching soil life are core to the AC Way, and facilitating rich, healthy soils that sustain long-term productivity is foundational to our approach. We know the value soil has to our crops and our assets and demand that our teams bring innovation and research to enhancing it.






SDG 12 13 14 15 DRAWDOWN 11 51 65

Improving blueberries by improving soil

Across our blueberry operations (as well as our other crops), our regenerative management tactics have been improving biodiversity, including soil microbiota.

Strategies like cover cropping enrich soils and help retain water, and no-till farming sequesters carbon and increases topsoil sustainability. By limiting tilling, expanding cover cropping, installing hedgerows and meadows, and maintaining significant on-farm natural areas, our blueberry farms in Oregon, the California Delta, and the southern San Joaquin Valley will generate over \$3 million in ecosystem service value over the next 10 years.* The table depicted here illustrates where additional ecosystem service value could increase those projections with further analysis.

ECOSYSTEM SERVICES BY PRACTICE TYPE

	 No till	 Cover crop	 Hedgerows	 Forest	 Grass
Soil Retention	●	○	○	●	●
Water Quality	○	●	○	●	○
Biological Control	○	○	●	●	●
Aesthetic	○	○	○	●	○
Air Quality	○	○	○	●	○
Climate Stability	○	○	○	●	●
Disaster Risk Reduction	○	○	○	○	●
Habitat	○	○	○	●	○
Water Capture, Conveyance, Supply	○	●	○	●	○

● PRESENT & VALUED IN THIS ANALYSIS ○ PRESENT, BUT NOT VALUED IN THIS ANALYSIS

Over
\$3M
in ecosystem service value
over the next 10 years

Earth Economics © 2019

The goods and services provided by natural ecosystems are similar to the goods and services provided by producers in a traditional market, in that their value can be measured in dollar terms. The process of valuing the goods and services provided by an ecosystem is called ecosystem services valuation (ESV).

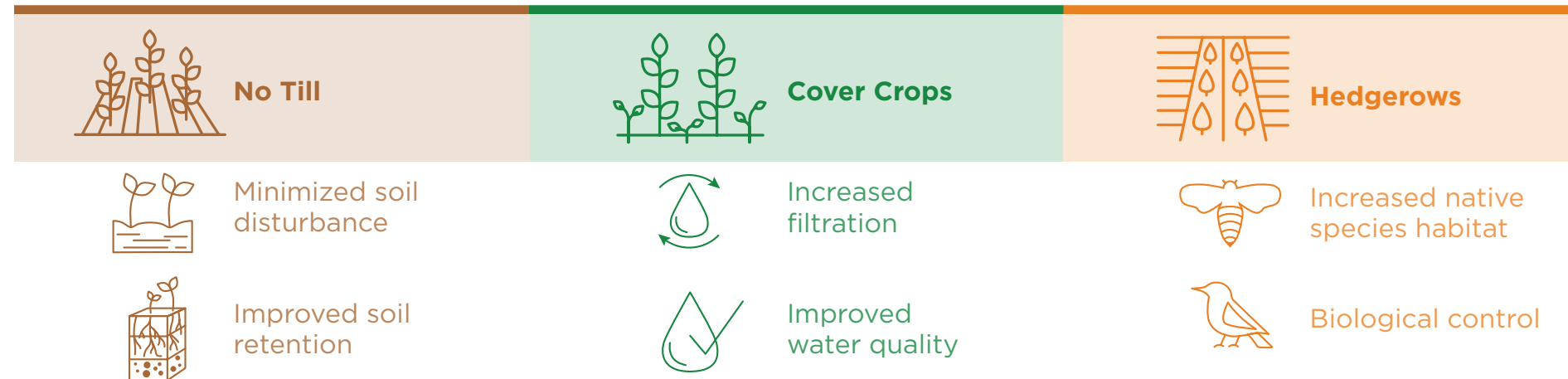
* Limited scope evaluation of ecosystem service value of AC practices on select blueberry farms completed by Earth Economics.

Transitioning land from conventional to regenerative

The regenerative practices we use on our farms, including cover cropping, no-till, hedgerow planting, and natural area protection are a direct response to the damage done by other farm systems. We seek to go beyond simply avoiding harm and begin to actually improve

environmental health and increase economic and ecological productivity, to create real value. Recent economic modeling depicted in the table below illustrates where some of that value may lie over various time horizons.

SELECT AC WAY PRACTICES AND BENEFITS



TOTAL PRESENT VALUE* OF ECOSYSTEM SERVICE VALUES BY FARMS, INCLUDING NATURAL AREAS AND PRACTICES

FARM	TIME HORIZON (YEARS)	PRESENT VALUE BY PRACTICE (\$)			BY-FARM TOTAL (\$/YEAR)	AGGREGATED WITH NO TILL, COVER CROPPING, AND HEDGEROWS	
		No Till	Cover Crops**	Hedgerows		= Total	LOW
Bixler	5	\$86,527	—	\$3,448	\$89,975	\$288,261	\$296,312
	10	\$148,219	—	\$5,906	\$154,125	\$493,786	\$507,578
	50	\$291,238	—	\$11,605	\$302,843	\$970,248	\$997,347
Victory/Richgrove	5	\$31,630	—	\$1,647	\$33,277	\$33,277	\$33,277
	10	\$54,182	—	\$2,821	\$57,003	\$57,003	\$57,003
	50	\$106,462	—	\$5,543	\$112,005	\$112,005	\$112,005
Humbug/Halls Ferry	5	\$88,967	\$25,503	\$14,191	\$128,661	\$1,359,192	\$1,785,442
	10	\$152,399	\$43,686	\$24,309	\$220,394	\$2,328,277	\$3,058,438
	50	\$299,452	\$85,838	\$47,765	\$433,055	\$4,574,869	\$6,009,572

Earth Economics © 2019

* Values based on a discount rate of 7%. According to Earth Economics, natural capital discount rates can range from negative values to values greater than the market rate of around 7%.

** Where missing, practice is in development.

Understanding organic and regenerative

Our commitment to using responsible scale to expand access to organic food is strong, but our commitment to deploying regenerative practices across both organic and conventional farms is stronger. Most of our blueberry operations and now some of our table grape operations are either organic or in transition to organic, which mean they rely on different protocols around crop protectants and fertilizers than conventional farms. They also incorporate regenerative practices which means they use beyond-organic practices to enhance ecosystem services. This is also true of our conventional citrus and hazelnut operations, which — while they face critical pest and disease pressures — still have the potential to benefit from the lower impact and more highly resilient management that a regenerative approach encourages.

As our recent collaborative analysis with Earth Economics* asserts (that full report is available upon request), the goods and services provided by on-farm ecosystems that regenerative methods address — like water filtration, soil retention, and biological control — are similar to the goods and services in a traditional economic market. As investment managers, we draw a direct connection between the regenerative pillar of our core strategy and a direct or indirect dollar value in the form of ecosystem benefits that increase yields and reduce farming operating costs long-term. We look forward to continuing to advance this research and the broader understanding of its relevance to agricultural investing.

* Limited scope evaluation of ecosystem service value of AC practices on select blueberry farms completed by Earth Economics.

MANAGING WATER AND ENERGY FOR A CHANGING CLIMATE

In agriculture and food, we sit at the nexus of water, energy, and climate, and while these each present critical risks to manage — whether through shortage, surplus, cost, or business disruption — they also provide opportunities for value creation. In pursuit of AC’s purpose to increase access to better, healthier food, we reported last year of the positive association between our crops’ water demand and the food tons they produce per unit of water. Similarly, we previously articulated a portfolio-wide carbon footprint and asserted that the combination of management practices and our strategic focus on permanent crops producing long-lived woody biomass indicates that our operations are a net sink for carbon that would otherwise contribute to climate change. We expect to update that analysis in subsequent reports and are hopeful that emerging protocols to price carbon fully and incentivize solutions will enhance financial results.

69%
improvement in energy efficiency and **30%** improvement in water efficiency in citrus packing from 2017 to 2018*

21%
improvement in energy efficiency across citrus business (farms, nursery, and facilities) over prior year**

* Based on resource use per unit

** Based on irrigation efficiency and recapture upgrades since start of operations

Renewable energy and efficiency

We remain deeply committed to investing in energy efficiency and have seen impressive improvements as our facilities have matured. Our operations teams are currently implementing three active solar projects — both for facilities and farms — and we continue to expand renewable energy evaluation across our business. In using energy-efficient technologies such as LED lighting in facilities and variable frequency drives on farm irrigation pumps (often capturing available improvement incentives), we continually pursue opportunities to reduce our reliance on fossil energy and the real and societal costs associated with them.

Water capture, storage, and recirculation

In any agricultural business, water risk considerations loom large — as do the very real opportunities for responsible management and innovative long-range planning. While geographies like California and Australia face persistent water scarcity issues despite periodic water abundance, our focus on water action spans our portfolio. We consider water not simply a resource but an asset with real value. We rely on surface water from a variety of sources,

pumped groundwater, and direct precipitation. Our investment in high-efficiency drip and microjet irrigation as well as farm-level water storage and facility water reuse capacity helps to support operational access. Regenerative practices like cover crops also support water retention. Our groundwater recharge efforts in California are replenishing underground supplies that are critical during dry years. Natural treatment of collected wash water at our Oregon packshed bolsters the needs of our adjacent farm. We continue to engage with networks like the California Water Action Collaborative on strategies that can amplify our impact.

SDG 7 9 13 DRAWDOWN 11 44 67

1.2B

gallons of water saved in 2018
(over 1.5 billion gallons saved since inception through efficient irrigation and conservation)**



Near Griffith Farms

MINIMIZING WASTE TO MAXIMIZE VALUE

We have set an aggressive goal to run zero waste packing and processing operations. “Zero waste” has been defined globally as diverting more than 90% of solid waste from landfills and incinerators through recycling, composting, or reuse. We also believe that strategic reduction of costly sources of waste that do not create value is an important part of an integrated waste management strategy.

Similarly, we consider it our responsibility to reduce the burden placed on customers and consumers from disposable materials that do not have a sustainable end use. With the current state of recycling in the US, we must critically evaluate that the materials that we use can be recycled, composted, or reused in order to reduce the volume of single-use plastics that inevitably pollute our waterways, oceans, marine life, and human bodies. This has catalyzed cross-functional initiatives across our business to develop innovative packaging for our customers and consumers.

SDG 2 12 17 DRAWDOWN 44 56 60

7.5K

pounds of fruit and nuts donated
for hunger relief in 2018

Increasing food access

Partnerships have become critical to our zero waste aspirations. When blueberry packaging gets damaged and cannot be used commercially, we collect and donate it to local hunger eradication agencies, who use them to pack fresh fruits and vegetables for those in need. Also, we are proud of our end-of-season programs in Oregon, where community volunteers glean available fruits and nuts from our fields after commercially viable harvest ends and supply them to food banks. Through this tangible way of supporting people in the communities where we operate, we donated 7,500 pounds of fruit and nuts in 2018.

Reducing the costs of waste

To ensure food safety and reduced food waste, businesses like ours are sometimes limited by their packaging choices. However, we are cultivating a mindset where our teams are driven to pursue opportunities to rethink assumptions, which is leading to material change. In our Columbine Vineyards business, we are pleased to have decreased the use of polystyrene — an environmentally widespread and particularly difficult material to recycle or recover — in our table grape shipments as a percentage of total mix by 8.1% in 2018 over prior year, and by 37% in total usage over the

We recognize that many impact reports create unnecessary negative impacts in the form of wasted paper, inks, and other resources. We have intentionally avoided producing printed copies of this report as a demonstration of our zero waste intentions.



GOAL
90% waste diverted
from landfills
and incinerators

TreeSource Nursery

previous year of highest use (2013, which predated our acquisition). We look forward to reporting in the future on our progress to reduce 2019 use by 50% over 2018. Additionally, through our long-time partnership with the Stewardship Index for Specialty Crops and several leading global non-profit organizations, we contributed to the development of — and piloted — a new food waste metric designed to help reduce the negative impacts of food lost for a variety of reasons across supply chains.

SUPPORTING POLLINATORS WITH HABITAT & RESPONSIBLE CHEMICAL USE

We are motivated by evidence that wild bee and other native pollinator activity can boost harvest yields, reduce farming expenses and reliance on contract pollinator services, and improve soil and overall ecosystem health. We have implemented pollinator-friendly practices — targeting our pollinator-reliant blueberry farms — that are rebuilding native habitats and improving mobility and connectivity for bees and beneficial insects across central Oregon and the California Delta.

We plant native hedgerows and meadows and restore healthy habitat zones around our farms to create conditions for pollination beyond the critical blueberry bloom. This also provides year-round food and shelter for wild bees that are more resilient to climate disruption and more active during wider temperature variations.

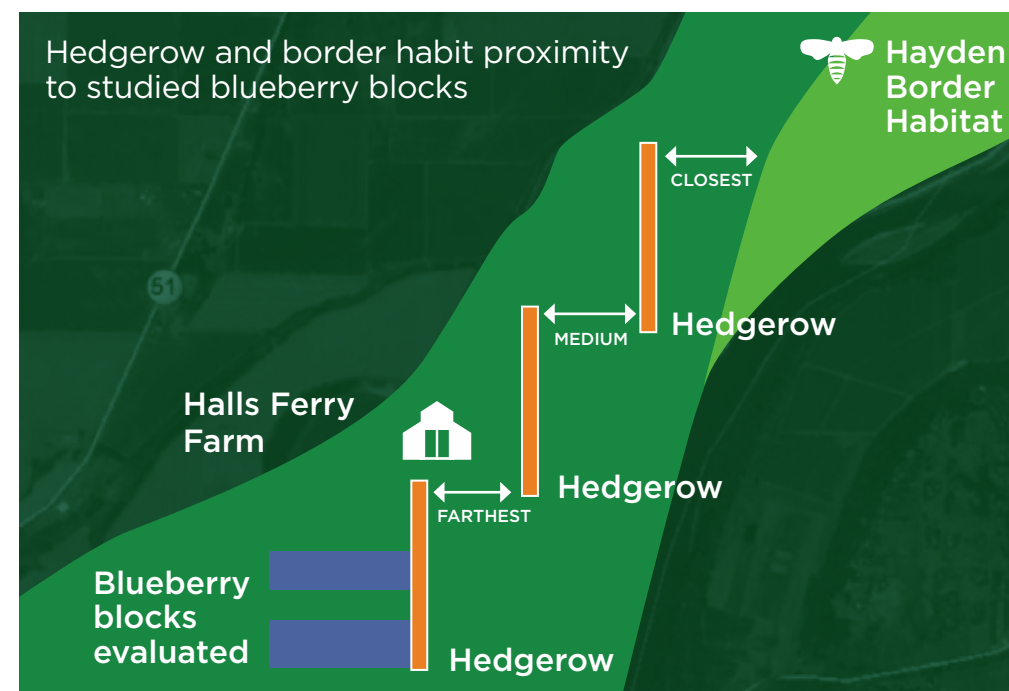
Using weed matting has reduced crop protectants and sprays by half, and electrostatic technology allows for precise application without waste or overuse. We focus our spray activities at night when pollinators are inactive, and outside the blueberry bloom when pollinators are most susceptible. We ran a now-expanded pilot to scout for spotted wing drosophila (SWD), a key blueberry pest, during fruit set to detect minimal SWD presence for elimination before the need for sprays.

SDG 12 13 15 17 DRAWDOWN 11 16 38

It's working

We are identifying a growing range of native pollinators, beneficial predators, amphibians and other species as a result of careful management. Field data show that pollinator activity near our native habitat areas is statistically higher than other areas. According to the Earth Economics modeling described earlier,* the economic value of our pollinator habitat strategy on studied farms alone is hundreds of thousands of dollars over a 10-year timeframe.

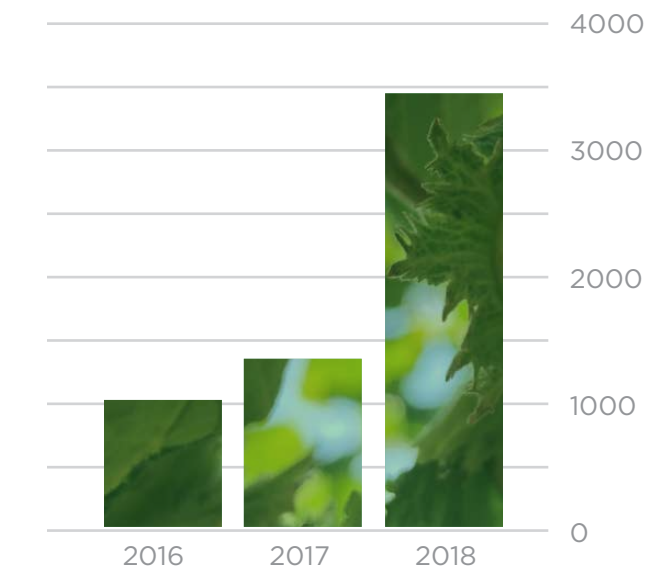
WILD BEES LOVE HEDGEROWS ON HALLS FERRY FARM



* Limited scope evaluation of ecosystem service value of AC practices on select blueberry farms completed by Earth Economics.

232%

increase in total wild pollinators observed present between 2016 and 2018 (Independence OR-area farms)



Data: Peerbolt Crop Management, 2018



BUILDING STRONG COMMUNITIES THROUGH HEALTHY FOOD

Our business would not be possible without the dedicated people who make sure that plants are propagated, fields are cultivated, blocks are irrigated, crops are harvested and packed, and food makes its way safely to dinner tables, refrigerators, and lunch boxes. Our employees and contractors, who live their lives and raise their families close to where we operate, bring a sense of responsibility and stewardship to our mission.

As states and communities increase wages to provide stability across the economic spectrum, it inevitably creates employment choices that can pull people away from agriculture, and increases the costs of producing food. While these are widely considered operational risks across the industry, we strive to represent a different perspective — that agricultural jobs are sought after and requiring deep experience.

\$27M

in on-farm payroll in 2018

On-farm payroll is an aggregation of all direct AC Operations farm and packing facility labor in 2018. It does not include farm labor contractors or other third-party labor.

Envisioning the future of farming

Employees are the cornerstone of everything we do, and our goal is to provide stable, higher paying, year-round jobs, with benefits that accrue to families and opportunities for growth and leadership. Innovation is changing the nature of farming jobs, but through upskilling and reskilling, workers can become the operators of fast-evolving technologies. In our packing facilities, teams are trained to operate premium fruit sorting equipment, which expands expertise in complex data management and analysis. We are actively developing workplace wellness programs and robust training to bring dignity to individuals and families and reduce recruitment costs, retention issues, and productivity challenges that compromise our business.

The future of farm leadership must include more women and people of color in key roles at all levels. We collaborate with partners on emerging models for managing and developing farm labor, including programs that deploy versatile teams in different functions over different seasons, or programs, as in our Australian citrus operations, that are creating opportunities for underrepresented groups.

SDG 3 4 5 8

FORWARD THINKING



Vision for the future

One of the most important drivers of our AC Way program is to create better opportunities for our growing team to connect with each other. Too rarely in the fast pace of global business do we take the time to share data, stories, case studies, and other experiences that can support our shared goals. With the AC Way, we are trying to build a common language that can break down the barriers that exist between crops, cultures, and customer expectations of all varieties. We need to talk more often and more clearly with each other in order to establish a vision for the future of food.

Of that future, we are sure of a few things. It will include safer food, as a combination of regulations and operational improvements will deliver better products to consumers. It will bring more healthful and delicious food, as technological advances will make it more and more possible to harness peak freshness and flavor to the delight of consumers. And it will demand more responsibly produced food as consumers' growing concern about the health of the planet and their communities will influence purchasing decisions.

Not only are we invested in helping bring leadership to those certainties, but we are also focused on strengthening our commitment to building resilient assets and

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

— Paul Hawken, Founder, Project Drawdown

resilient businesses that can withstand the uncertainties of weather, climate, and the economy. And when uncertainties like the effect of increased automation on food systems create both near-term challenges and incredible long-term possibilities, we are trying to imagine and implement the tools of the future. Our commitment to sharing data and ideas is a catalyst for constant growth.

With each season, we glean new lessons. We share this update to solicit your feedback and continued partnership and, with humility, hope we can always push ourselves to do more.

2018 RESOURCE DATA

	FULL TIME EQUIV. EMPLOYEES	APPLIED WATER (acre feet per acre)	ENERGY (kWh per acre)	SOIL ORGANIC MATTER (%)	SOIL ORGANIC CARBON (%)
OREGON FARMS					
Humbug 1,055 acres	41 +21%	0.62 +27%	448 +23%	3.59 +9%	1.51 -1%
Halls Ferry 1,624 acres	65 +16%	0.72 +26%	521 +4%	3.31 +4%	1.4 -7%
Smith 1,009 acres	19 -46%	0.12 -11%	396 +9%	3.88 +22%	1.88 +16%
Sublimity 146 acres	6	1.072	298	7.09	7.7
CALIFORNIA FARMS					
Columbine Vineyards 6,450 acres	1114	2.13	437.5	fc	fc
Cal Valley Citrus 865 acres	20	fc	312	fc	fc
Fowler 281 acres	24 +19%	2.197 +14%	2200 -51%	0.89 +7%	0.52 +8%
Sierra Heights 138 acres	3 0%	0.883 -5%	290 -10%	1.22 +10%	0.71 +10%
Phoenix 187 acres	9 +21%	2.06 +14%	3358 -34%	0.72 -49%	0.42 -49%
Griffith 2,044 acres	140 -38%	1.732 +25%	801 +52%	1.38 +10%	0.8 +9%
Bixler 1,262 acres	53 -43%	1.9	425.7	3.1	1.8
Sanger 271 acres	10 -9%	1.3 -15%	2114 -35%	0.98 +32%	0.56

KEY

fc = FORTHCOMING BASELINE IN SUBSEQUENT YEAR

% = PERCENT CHANGE OVER PREVIOUS YEAR

Where there is no comparison to prior year, the asset or metric was baselined in 2018.

We continue to aggregate impact data that have been reported as available in previous quarterly reports to illustrate progress over time. This is the third year we have published such an annual roll-up, this time incorporating all assets baselined through the end of 2018.

This year, we have added markers of change from the prior year's data to provide varying degrees of useful reference. It should be noted, though, that each asset features work related to different crops, different climatic conditions, different water needs, different labor conditions, and different equipment. We consider these data helpful indicators of our progress in contributing to local economics, managing water resources responsibly, improving soil health, and being vigilant about our climate impact. We acknowledge the active role that our valued operations teams continue to have not only in helping us capture these data but also in helping advance innovative solutions.



Humbug Farm

	FULL TIME EQUIV. EMPLOYEES	APPLIED WATER (acre feet per acre)	ENERGY (kWh per acre)	SOIL ORGANIC MATTER (%)	SOIL ORGANIC CARBON (%)
Richgrove 412 acres	12 -8%	0.94 -21%	3323 -17%	1.56 +1%	0.9 0%
Rocky Hill 367 acres	fc	fc	fc	fc	fc
Victory 272 acres	25	0.76	921	1.52	0.88
Van Delden 165 acres	6	2.59	3323	1.54	0.9
AUSTRALIA FARMS					
Mowbray 499 acres	8	3.31	fc	0.77	0.45
FACILITIES	FULL TIME EQUIV. EMPLOYEES	WATER EFFICIENCY	ENERGY EFFICIENCY		
Cal Valley Citrus 75,000 Sq. ft.	fc	fc	fc		
Columbine 320,000 Sq. ft.	53	395 gal/ton stored	78 kWH/ton stored		
Legacy (AUS) 107,639 Sq. ft.	17	332.7 gal/ton packed	83.6 kWH/ton packed		
Legacy (USA) 330,000 Sq. ft.	205 +103%	236 gal/ton packed -30%	65 kWH/ton packed -69%		
Silver Mountain 44,000 Sq. ft.	21 -8%	392 gal/ton packed	248 kWH/ton packed -71%		
TreeSource 230,013 Sq. ft.	112 +26%	4.114 gal./tree -8%	0.08 kWH/tree -50%		

Notes on Farm Indicators:

There is variability in water data due to high dependency on specific geographic location, crop type, and stage of development.

For some ranches, harvest labor is not included as those data are captured at the packshed.

On-farm electricity use is significantly higher at Fowler and Phoenix Ranch because diesel-powered irrigation pumps are in use at these farms.

Rocky Hill Ranch is entirely in development so relevant data will post in the 2019 calendar year.

fc = forthcoming



Mowbray Farm



Agriculture Capital

BACKGROUND

The information contained herein is for information purposes only and was prepared by Agriculture Capital, or AC. AC refers to ACM Management Company, LLC, and its affiliates. ACM Management Company, LLC, is an investment adviser, registered with the SEC.

References in this report to the funds refer to the pooled investment vehicles managed by AC. References in the report to businesses, brands, water rights, food, customers and other agricultural assets are assets that are owned by the funds. References to employees refer to the people that work on behalf of the funds' agricultural businesses and can include employees of AC, AC's affiliates or 3rd party contractors.

DISCLAIMER

The information contained herein should not be regarded as an offer to sell or a solicitation of an offer to invest in any security. It does not constitute a recommendation to invest or consider the investment objectives, financial conditions, or needs of specific investors. Existing investors in the funds may realize losses on investing in such assets, including a loss of principal. Past performance is not indicative or a guarantee of future performance.

Some forward-looking statements are made in this report such as "anticipate," "plan," "continue," "estimate," "expect," "may," "will," "believe," "predict," "potential," "project" or other similar words. The forward-looking statements involve certain risks and uncertainties. There are many factors that may cause actual results to differ materially from those expected, contemplated, projected, forecasted, estimated, or budgeted in the forward-looking statements.

The information and any opinions contained in this report from outside sources have been obtained from sources that AC considers reliable, but we do not represent such information and opinions to be accurate or complete, and thus, should not be relied upon as such.

This document is confidential, and no part may be reproduced or distributed without prior written permission of AC.

