
The Agriculture Capital Way

A PRACTICAL MODEL FOR REGENERATIVE



Agriculture Capital



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Introduction

Agriculture Capital is pleased to release this Impact Report as the first in an on-going series that defines our approach to building regenerative agriculture systems. Our positive impact strategy centers on these three fundamental principles:



Producing Healthier Food



Growing Access & Scale



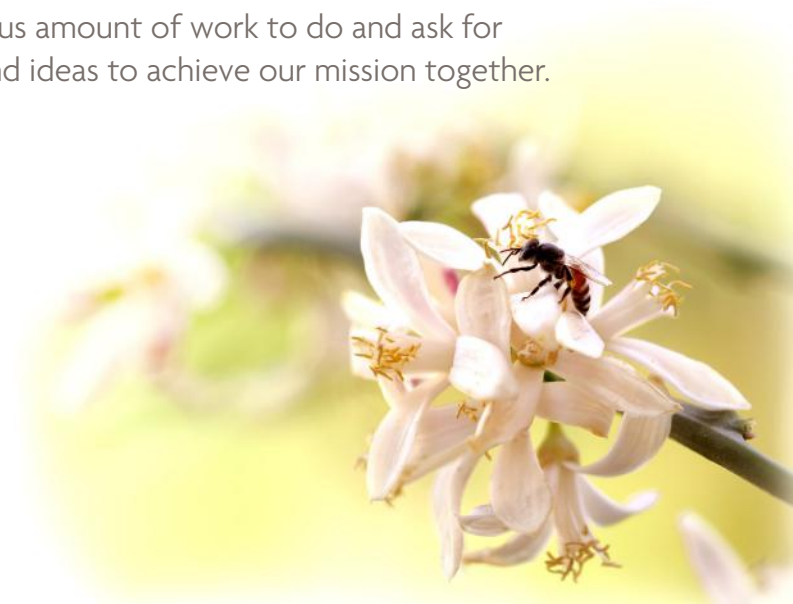
Advancing Responsible Production


We've developed this report so we may foster deeper conversations about these topics among all of our stakeholders, based on the understanding that the urgent realities facing our business and our environment demand open and honest communication among people holding diverse points of view so they can be translated into clear and effective actions.

At Agriculture Capital, we humbly offer this report as a tool for advancing that dialogue in order to challenge dogmas, confront issues material to our on-going success, and serve as a greater force for good by aligning our business interests with the broader needs of society and the communities in which we operate.

It marks the first step in a long journey of thinking, learning, and acting. Most importantly, it frames out a model to guide greater achievements in the future. The promise of regenerative food is one that offers new potential for communities, is in fundamental balance with ecosystem health, and nourishes people from every walk of life. It is an aspiration that remains a very long way from being a reality. Helping construct a model that moves us closer to that goal is what drives us.

We have an enormous amount of work to do and ask for your help, energy, and ideas to achieve our mission together.



An aerial photograph of agricultural fields. A large, semi-transparent white box is overlaid on the center of the image, containing a quote. The quote is in white text. The background shows various shades of green and brown, representing different crops and soil. A road with yellow lines is visible in the upper right quadrant.

A nation that destroys its
soil destroys itself. ”
-Franklin Roosevelt

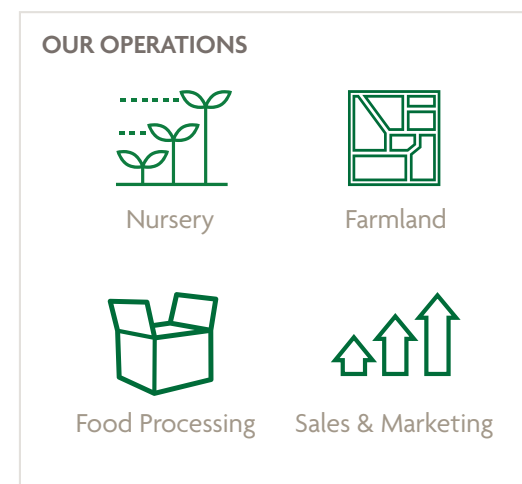
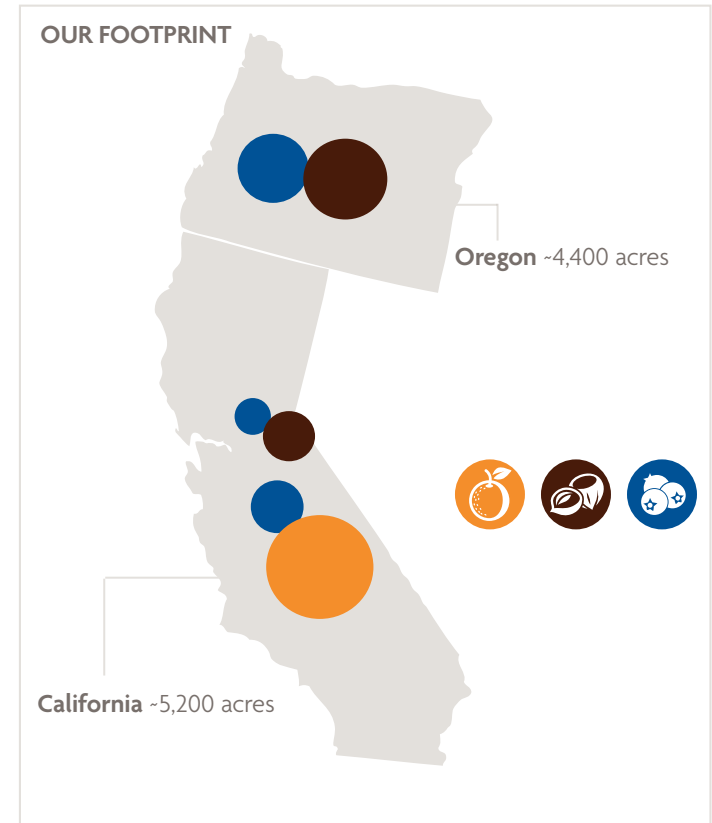


ABOUT AGRICULTURE CAPITAL

Agriculture Capital is an investment firm on a mission to develop a regenerative food and agriculture system that produces better food at scale and delivers healthy returns to investors while making a difference in the communities we touch.

We think of ourselves not simply as financiers, farmers, packers, or distributors, but as responsible producers. We have an obligation first and foremost to return real value to our investors, while also meeting the growing consumer demand for transparency – their real desire to know more about the food they put on their tables and serve to their families.

Across our two investment funds, Agriculture Capital currently owns and operates over 9,000 acres (over 1,900 acres that are in transition or under evaluation for transition to organic); three packing and cold storage facilities; and a commercial tree nursery along the US West Coast. Our focus is on permanent crops, specifically citrus, blueberries and tree nuts. We bring a highly engaged owner-operator orientation to our investments and use our team's proven expertise to deliver management and operational improvements that produce high-quality healthy food, protect environmental health, support the human spirit, and create and sustain economic prosperity.



BRINGING EVERYONE TO THE TABLE

Key to the successful implementation of our goals is the recognition that we depend wholly on the engagement of our partners in each community where we work.

Agriculture Capital believes in the power of cross-sector collaboration. We are purposefully building a network of diverse, solutions-oriented partners who see opportunities in existing challenges, and are inspired to help give rise to a regenerative food system. We have made it our culture to invite anyone to the table who can help us reimagine fresh ways of doing business better, and who have the resolve to work hard to help us make those ideas reality.



Purpose

To grow access to better, healthier food.



Vision

We envision a world where more people have access to food that is better and healthier for their families, while improving the land and the communities in which we operate.

Values

We believe that when we live our values each and every day, the world 'EATS' better:

Excellence

In fulfilling every aspect of our mission, in order to drive investment, innovation, production, higher returns, and delivery of better, healthier food for more people.

Accountability

An understanding that we all play a part in creating real value for our investors and customers, and that we are each accountable for our actions and performance.

Transparency

Honesty is the fertile soil in which our business thrives. We must be open in our interactions, communications, and sharing of data in order to achieve our goals.

Stewardship

Building a culture of stewardship supports our planet and natural resources, makes a positive impact in our communities, and creates opportunities for our employees



Our View of Impact

While we call this document an ‘impact report’, we do not consider ourselves impact investors in the traditional sense. The outcomes we seek to advance – or impact we seek to make – comes from making purposeful investments that improve our bottom line.

The success of our business is based on regenerative practices that generate on-going economic value based on their social, and environmental efficacy, not the other way around. We consider this a critical distinction.

We believe in advancing an approach to positive impact that is co-created and supported by operating teams across our business, that is contextual to the geographies, crops, and markets within which we operate, and relies on humility to ensure continual reassessment. We also feel that it’s important for us to be actively involved with business and non-governmental organization communities that share a commitment to rethinking private sector approaches. We are proud to be a signatory to the United Nations Principles for Responsible Investment, which aligns with the United Nations Global Goals, and we continue to evaluate emerging opportunities to stay on the leading edge of this growing movement.



REGENERATIVE FOOD PRODUCTION

Agriculture Capital's impact comes from a commitment to regenerative and restorative food production characterized by a spirit of renewal.

It is based on the belief that the most productive farms are successful because of the ecosystem function they actively manage and protect, and because of the opportunities they create for the enrichment of people.



To us, regenerative food is defined by what it renews.

- ◆ **It renews our health**
Food that is nutritious, delicious, healthy and safe renews us all every day. It also renews the health of our soil, air, and water – the resources that sustain us.
- ◆ **It renews our economy**
The richest, most productive farms are successful because of the vital ecosystem functions they provide, to protect and restore resources, and to generate on-going value for the enrichment of individuals and communities.
- ◆ **It renews our community**
Regenerative practices rooted in fairness from grower to buyer help strengthen communities by providing on-going opportunities and greater access to healthier food for more people.
- ◆ **It renews our resources**
To us, regenerative food is defined by what it renews. They also renew the bond with our children and future generations by leaving the assets under our watch better than we found them.

We believe regenerative agriculture and food production is the truest and most measurable form of sustainability. A regenerative mindset helps ground our management objectives and position our strategy for success.

RISK

We manage resources to protect and mitigate impact on our investments.

RESPONSIBILITY

We manage our enterprises with a sense of accountability and aim to generate net positive benefit to people and the environment.

RETURNS

We work to create and capture long-term value and future productivity through the application of regenerative practices.



OUR PHILOSOPHY IN PRACTICE

Sustainability anchors our business from the very moment we begin to evaluate a new property or asset acquisition.

We have policies and procedures to guide our efforts, and work side-by-side with asset managers to build communities of practice that reflect our values. To pursue our mission of producing healthier food at scale, we use internal processes together with recognized certification tools and performance standards as ways to access markets, communicate our benefits, and measure our progress.

AC's integrated seven-step sustainability approach requires high levels of engagement with our asset managers, starting with due diligence at the beginning of our relationship. This involves analyzing environmental and social data to determine how prospective assets benchmark with our own, and if the near and long-term management of the asset is aligned with our values and investment thesis.

The relationship continues with asset baselining within the first year of owning the property. We empower managers to engage their teams in understanding the value of measurement and, more importantly, in contributing to the resulting action plans that help to improve performance, both incrementally and in the form of new high-impact projects.

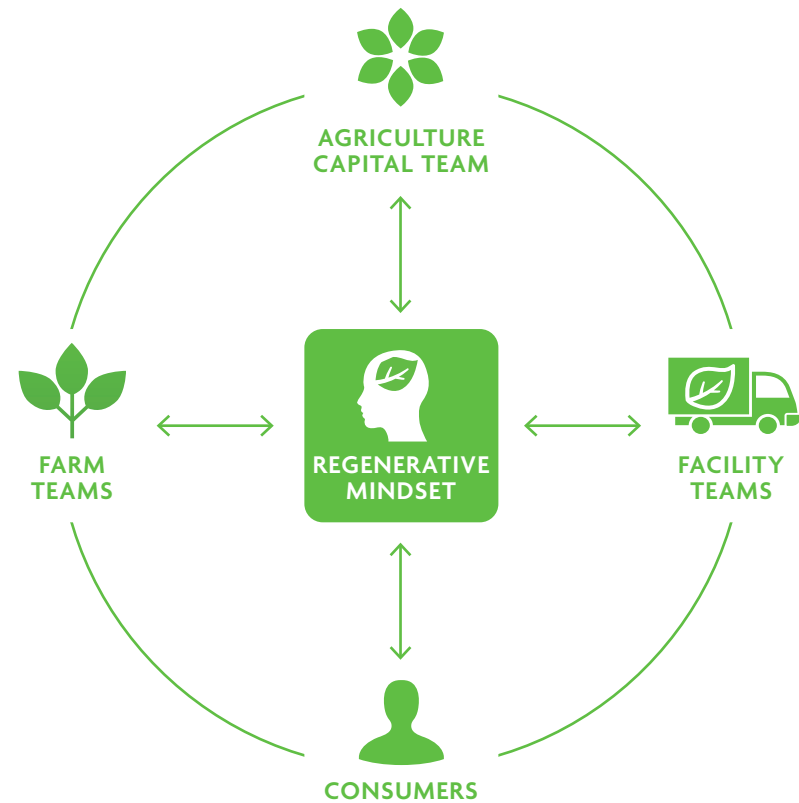


ENGAGING OUR PEOPLE

No purpose-driven business is viable without cross-functional teams aligned around a common commitment. In our business, we have joined together around the belief our shared future is dependent on food systems that are more efficient and humane. We recruit leaders to our business not simply on their expertise but also on their passion for our mission. We rely on each of them for their leadership while recognizing that the best ideas are generated through co-creation and collaboration. We believe every person in our business should come to work each day knowing that their most innovative ideas for helping us realize our vision will be heard and valued.

At Agriculture Capital, we believe that treating all our colleagues with respect, cultivating their creativity, and offering them chances to excel may be the lowest-hanging – and most important – fruit when it comes to generating long-term value.

We aim to improve the lives of those we work with across our operations and also look for opportunities to contribute to their communities.



Producing Healthier Food

For Agriculture Capital, healthy food means better nutrition, exceptional quality, and superior food safety.

NUTRITIONAL VALUE

We focus exclusively on producing healthy, nutritious fruits and nuts, grown to the highest quality standards.

Across all our farms and facilities, we strive to:

- Produce varieties of fruits and nuts that delight and enrich consumers.
- Implement superior growing and handling practices, preserving quality and ensuring safety from the moment of harvest until it is enjoyed by our consumers.

We are driven to more fully understand the health footprint of our business, and are engaged with thought leaders to better measure and understand how our crop choices and farming and packing practices combine to create a net-positive impact on human, ecological, and community health.



FOOD SAFETY

Our business depends upon ensuring the safety of the people who produce our food as well as those that purchase and consume it.

We focus on exceeding the legislated requirements of the United States Food Safety Modernization Act through innovative investments, employee training, and day-to-day operational vigilance.

Given the very real food safety issues that have affected consumers in recent years, we welcome increased regulatory oversight and have prepared our business for a leadership, rather than a compliance, mindset.

Across all our farms and facilities, we strive to:

- Instill a 'beyond compliance' mandate throughout all our operations.
- Invest in the latest technologies, training, techniques, and equipment to minimize food safety risk and equip us with the nimbleness to respond adeptly to any challenges.

Only by actively and preemptively advancing best-in-class food safety can Agriculture Capital grow its reputation as a reliable, high-quality producer, strengthen consumer trust, and ensure our business operates at a higher standard.



Growing Access & Scale

Agriculture Capital believes that more people should benefit from food with higher nutritional value.

We want to grow consumer interest in healthier food across all demographics, and implementing responsible organic production at scale is one pathway to accomplish that goal.

While we respect the vital role that small-scale agriculture plays in communities across the world, there are issues of high cost, inefficiency, and lack of access related to small scale production alone. For organic, regenerative agriculture to play a significant role in the nutritional needs of the 9.2 billion people expected to live on Earth by 2050, the evolution of large-scale, highly professional farms are essential.



COMMITMENT TO ORGANIC

Agriculture Capital sees US Department of Agriculture organic certification as an important pathway for educating and supplying consumers with healthy food.

Not only do certifications communicate transparency of growing practices, but they also provide entry to a defined marketplace. The existence of a stable marketplace reduces the risk associated with changing growing practices and the premium available for organics helps producers recoup their costs and gain financial stability.

Although Agriculture Capital aims to employ a regenerative mindset across all of its practices, - including on conventional farms - we see tremendous value in the organics industry as a vital step towards regenerative production, and as an opportunity to introduce scale and increase access to healthy food. We reduce our use of crop protectants and other chemicals through organic production, weed matting (reduces chemical use by as much as 50%), integrated pest management, and precision electrostatic spray techniques.



Across all our farms and facilities, we strive, where possible, to:

- Convert to organic production. We currently manage 1,900 acres that are in transition or under evaluation for transition to organic.
- Contribute to the growth of the industry by being active participants in industry associations to strengthen organic standards and expand the organic marketplace.



COMMUNITY ACCESS

Agriculture is the lifeblood and livelihood that sustains communities across the country and around the globe.

We also recognize that access to healthy, affordable food is not something all people are able to count on. We are committed to support community hunger programs in the regions where we work and are actively working to develop sustained programs that infuse our approach to regenerative food production with food security for the people who need it most.

Across all our farms and facilities, we strive, where possible, to:

- Generate a net positive benefit to the communities where we operate by paying supportive wages, participating in community events and supporting community development wherever possible.
- Create opportunities for our employees and their families to benefit from access to fresh food, through employee community gardens, food donations, and beyond

Given Agriculture Capital's mission to produce better food for more people, addressing the challenges in our communities related to nutrition, hunger, and food waste are especially critical. We have initiated outreach to hunger eradication organizations in many of our communities, and have been inspired by the grassroots efforts of our operations teams to expand these programs: in 2016, our Legacy fruit packing and storage facility in California's Central Valley donated in excess of 70,000 pounds of fruit to food banks and other food access programs.



Responsible Production

Responsible production of food is the cornerstone of our impact strategy and touches everything we do in our role as an employer, as a steward of natural resources, and as a community-minded corporate citizen.

Food production that helps to restore, renew, and support a healthy society is what has attracted every member of our team to this effort.

And a key part of responsible production is to educate and engage our teams, our partners, and our competitors in what it means to bring a true long-term, future orientation to food and agriculture.



WATER STEWARDSHIP

Water is perhaps the most basic human right, and is an issue related directly to climate instability and the success of all agricultural businesses globally.

At Agriculture Capital, we feel the threat of water insecurity daily and believe that we have an obligation to help lead the food and agriculture community in responsible water use and safeguarding of water quality. This starts with pursuing long-term opportunities that ensure the highest degree of certainty in terms of varied, cost-effective, and efficient water use.



Across all our farms and facilities, we are motivated to:

- Dramatically improve water use and efficiency through investments in modern varieties, drip irrigation, sensing equipment, state-of-the-art water infrastructure, and cover cropping.
- Regularly monitor water use and quality to continually improve and respond to challenges in real-time.
- Consult leading non-profit stakeholders and partners in water management to evaluate and pursue innovative techniques in water efficiency and groundwater recharge.

Through these activities, we are working to reduce water risk across our operations, support critical ecological and societal needs, and share lessons learned with the industry to ensure that agriculture thrives in a water scarce future. We are highly engaged in the community of civil-society organizations, such as California Water Action Collaborative, focused on driving water sustainability for future generations.



WATER STEWARDSHIP: EFFICIENCY & INFRASTRUCTURE

Developing water-smart agriculture in the American West



OPPORTUNITY

- Secure long term access to high-quality water that supports critical ecological and societal needs, and complements our business interests.



APPROACH

- Measure water level needs and usage across our assets, and evaluate the water risk for existing and (possible) future investments.
- Implement efficient (drip) irrigation, use soil moisture sensors, increase ability to balance water capacity, improve natural water connectivity and reduce labor costs.
- Reduce water usage for irrigation and boost resilience to weather variability (seasonal or climatic), through infrastructure and technology investments.



TARGET OUTCOMES

- Continue water savings, with the additional benefit of efficient nutrient delivery, which in turn supports groundwater protection.
- Work with others to challenge Industry standards on water requirements for the best possible crop success.
- Develop over 30 million gallons of storage to mitigate costly water purchases, and improve operational use.
- Optimize water use, groundwater rejuvenation, and deliver wildlife habitat benefits by aligning with leading stakeholder groups.

RISK

Persistent drought conditions, uncertain future availability and volatile water pricing presents risk to operational growth and success

RESPONSIBILITY

Contribute to long-term watershed and groundwater health in basins where scarcity has real economic, environmental, and social impacts

RETURNS

Risk reduction, improved water and nutrient cost management, and yield improvement

Agriculture Capital has saved over 305 million gallons – equal to the annual use of 2,327 average California households – since fund inception in 2014.



SOIL HEALTH

Soil health can be considered the most critical indicator of the long-term productivity of agricultural investments, and in many regions around the world, soil quality is severely threatened.

We recognize that vibrant soil health allows us to produce the best fruit for the marketplace while also allowing us to reduce our input costs.



Across all our farms and facilities, we continue to:

- Measure and monitor applied nutrients, soil organic matter and soil carbon to assess soil health and performance to enable management responses in real time.
- Utilize cover cropping, composting, and weed matting techniques to promote nutrient cycling and water retention, control weeds, reduce chemical use, and maximize soil organic matter and microbial health.
- Convert to organic production wherever possible. AC actively transitions acreage to organic production recognizing the role soil can play in sequestering carbon, and creating long-term economic and environmental value in a permanent crop context.



HABITAT & BIODIVERSITY

Habitat and biodiversity loss are key threats to long-term environmental sustainability and economic viability.

We see opportunity to develop productive farmland while also preserving ecosystem function. For US crops alone, native pollinators provide vital ecosystem services valued at \$29 billion. Agriculture Capital recognizes the value of preserving these species and ecosystems, and is actively engaged in promoting native pollinator habitat while driving improvements in the productivity of our farms and, over time, reductions in costly remediation services.



Across all our farms and facilities, we continue to:

- Employ integrated pest management strategies including predatory birds and other species for rodent control;
- Preserve and promote native habitat wherever possible to support native pollinators, protect riparian zones, and support crucial ecosystem functions

In order to get a more complete, science-based understanding of farm-level land use and management strategies, Agriculture Capital partnered with The Nature Conservancy (TNC) in 2016 to pilot a biodiversity & habitat protection metric for the Stewardship Index for Specialty Crops. Through this collaboration, we evaluated habitat quality, land uses, conservation strategies, and farming practices on our blueberry and hazelnut farms in the Pacific Northwest, leading to an average biodiversity score of 88 on a 100-point scale. Not only did our participation in this pilot project provide TNC with valuable input to refine its framework, it informed our decision to proceed with an expansive improvement of native pollinator habitat areas throughout the farms.



BIODIVERSITY: NATIVE POLLINATOR HABITAT OPTIMIZATION

How to restore pollinator function in a regenerative production agriculture context



OPPORTUNITY

- Restore native pollinator functions for Pacific Northwest blueberry operations.



APPROACH

- Implement industry best practice by partnering with Xerces Society in pollinator habitat design and installation.
- Identify priority locations to support native plant communities for pollinators and benefit insect health.
- Position AC to pursue industry leading 'Bee Better' certification.
- Select crop protectants to reduce impacts to pollinators.
- Adapt and replicate across portfolio.



TARGET OUTCOMES

- Double species diversity to 20 species by increasing pollinator abundance.²
- Reduce pressure from Spotted Wing Drosophila, estimated to affect up to 20% revenue loss in US blueberries.
- Increase blueberry yield by 10% or more.
- Transfer knowledge across industry by creating an operating framework and implementation capacity.

RISK

Reliance on imported honey bees subjects operational performance to increasing costs and increased susceptibility to disease, pests, and Colony Collapse Disorder

RESPONSIBILITY

Restore pollinator diversity and abundance in sharp global decline

RETURNS

Research indicates strong ecosystem function translates to higher yields and enhanced financials¹

¹ Sources include: Kremen et al, 2004. AND Brett Blaauw and Dr. Rufus Isaacs, Michigan State University, 2014. AND Bolda et al. | 2 80 species may be possible | 3 Morse, R.A. and Calderone, N.W., 2000. The value of honey bees as pollinators of US crops in 2000. *Bee culture*, 128(3):1-15 | 4 Gallai, N., Salles, J.M., Settele, J. and Vaissière, B.E., 2009. Economic valuation of the vulnerability of world agriculture confronted with pollinator decline. *Ecological economics*, 68(3): 810-821.

Native pollinators create \$29 BN in US crop value³ and over \$500 BN globally⁴



CLIMATE & ENERGY

Atmospheric pollution from the use of fossil-based sources of energy is contributing to global climate disruption affecting agricultural productivity in the form of wide temperature swings and increasing catastrophic storm and weather-related events.

As such, we are focused on business practices that measure and manage our energy use, minimize our greenhouse gas (GHG) contribution, and accelerate the shift to renewables and innovative energy management technology. We also make continual efforts to ensure that our facilities are designed for the most efficient utilization of space to improve the efficiency of natural resource use on both a square-foot and tons-packed basis. Our aim is to use as little energy as possible to produce the highest quality food while reducing our exposure to energy price volatility and mitigating the effects of a changing climate.



Across all our farms and facilities, we continue to:

- Deploy renewables and invest in efficiency upgrades to reduce our energy needs and shift our demand to cleaner forms of energy. We expect to break ground in mid-2017 on a nearly two megawatt solar system – now under contract – for one of our fruit packing facilities. To optimize the deployment of that future system, we have equipped that facility with high-efficiency LED lighting systems that have already driven energy costs down. Between 2015 and 2016, the facility reduced its lighting costs by 88%, a figure expected to grow.
- Reuse and redeploy materials and equipment efficiently to get the most value out of our resources and the expenses they represent. Waste-reduction goals in our California tree nursery operation have already helped our teams find creative reuses for tri-wall boxes that arrive at the facility from supermarkets that would have historically been discarded. They are now used to ship nursery trees on recycled pallets and are helping us reduce the carbon footprint of that operation.
- Benchmark and monitor our fuel and energy consumption to reduce our exposure and elevate new opportunities to reduce our contribution to climate change.



CLEAN ENERGY: HIGH-EFFICIENCY SOLAR

Advancing low-carbon regenerative food systems



OPPORTUNITY

- Move to a carbon neutral fruit packing facility in California, by including energy efficiency and using on site solar power, reducing fossil fuel dependency.



APPROACH

- Use leading technology that maximizes benefits to community and environment by identifying appropriate solar partners.
- Execute operational lease strategy to generate cash flow benefits from outset.
- Improve facility space to increase utilization and productivity.



TARGET OUTCOMES

- Achieved a reduction in energy demands by 88% (from LED Lighting project).
- 90% of projected energy needs met using -2mW photovoltaic array, providing a net contribution to financial returns in 3-4 years.
- Evaluate energy storage benefits as they evolve.
- Adapt and replicate across portfolio.

RISK

Exposure to energy price volatility

RESPONSIBILITY

Reduce the impact of our business on climate change, a potential disruptor to our business and the health and safety of our employees and consumers

RETURNS

Energy cost stabilization and overall cost reduction once system is operational

Our partner's thin film solar creates skilled US jobs, is 8% more productive than other PV and certified for clean manufacturing



EMPLOYEES AS KEY PARTNERS

Our ability to deliver excellence in every aspect of our business is dependent on an open, inclusive environment that draws together diverse experiences and points of view.

This is core to our strength as an organization. We are committed to building opportunities through our business for all people, regardless of gender, age, ethnicity, sexual orientation, or other areas where discrimination has historically slowed society's progress. We also ensure that all employee contractors meet state and federal regulations and work to disseminate our values and protocols to every employee.

Across all our farms and facilities, we strive to:

- Create long-term, stable, year-round employment. Through our vertically integrated approach, we insist on exceptional safety and working conditions and aspire to coordinate operations to create long-term, stable, year-round employment opportunities wherever possible.
- Build an organizational culture based on respect, excellence, and growth. We view our employees as key partners and aim to create stronger working relationships by fostering an environment of learning and community; these include desired skill-building courses, employee gardening programs, and opportunities for career advancement.



By offering dignified employee wages, and a strong sense of place, we not only mitigate risks associated with labor market volatility, we aspire to be one of the most sought-after employers in the communities where we work. We are actively engaged as a team in designing programs that will create better employment opportunities in our business over time through training and workplace health and safety initiatives.

Our desire to invest in our workforce extends to our partnerships with organizations that help to align the technical or business needs of teams like ours with early-career professionals seeking a meaningful career trajectory. We are energized by our recent relationship with YearUp, a skills-based training program that provides a year-long technical training and professional coaching program to students from under-represented and under-served communities and then partners with community employers to help place students into high-skills jobs with strong mentorship to provide opportunities and career advancement while students finish their education.



Integrating Data into Our Business

The success of the Agriculture Capital model depends on data and consistent, relentless measurement.

The company currently manages two separate investment funds focused on permanent crop farmland and food processing along the West Coast. In keeping with our commitment to baseline all assets within the first 12 months of ownership, in 2016, we completed the sustainability-data benchmarking process on the first nine of our Fund I assets: Humbug Farm, Halls Ferry Farm, Smith Farms, Fowler Ranch, Sierra Heights, Phoenix Ranch and Griffith Farms. We are currently in the process of setting baseline for the remaining assets in Fund I and those in Fund II.

Our process involves working with our asset managers to develop a data tool that accommodates the unique attributes of each asset. Together, we collect data, typically on a quarterly basis. We then analyze the information for application in long-term action plans and continually refine data management systems and protocols to improve asset performance and impact delivery.

The principal data we have been collecting in our farm operations has been modeled after the Stewardship Index for Specialty Crops sustainability framework. We joined the multi-stakeholder SISC community as a member of its coordinating council in 2015 and have been an active participant in its programs and an advocate for its influence in grower communities and the consumer marketplace. It continues to be our hope that broader adoption of the SISC metrics – including the adoption of SISC metrics by other organizations – will create greater information sharing and a growing uniformity of data across different regions and crop types in the interest of more purposeful stewardship.



Here, we provide impact snapshots for the nine farm or facility assets in our first fund along with company-wide metrics for select leadership indicators such as employment footprint, resource use, and soil health. Behind each number is a story. As we continue to report on our performance going forward, we expect to become increasingly granular in monitoring the range of factors – such as crop type, stage of development, geographic location, climatic events, and more – that contribute to sometimes wide variability from one asset to another, so that they may be more successfully applied to our operational planning.

Farming is truly a delicate art of managing biology, ecology, climate, and market factors. The progress we have made to date illuminates that far more work is needed both to perfect data reporting and its future application. Nonetheless, we are pleased to share this information as a starting point for discussion with all our stakeholders and commend our asset managers for their hard work as a measure of their commitment to grow healthy, more nutritious food.

2016 DATA

Farm Name	Acreage	Crops	COMMUNITY CONTRIBUTION	WATER STEWARDSHIP	SOIL HEALTH		
			Full-time Equivalent	Applied Water	Soil Organic Matter	Soil Organic Carbon	On-Farm Electricity
			#	ac. ft./ac.	%	%	kWh/ac.
Humbug Farm	1,056	Blueberry, Hazelnut	42	0.52	2.93	1.7	238
Halls Ferry Farm	1,312	Blueberry, Hazelnut	32	0.34	2.58	1.5	342
Smith Farms	890	Blueberry, Hazelnut	33	0.01	3.57	1.9	111
Fowler Ranch	279	Citrus, Blueberry	11	1.99	0.80	n/a	4,994
Sierra Heights	140	Citrus	3	1.28	1.41	n/a	437
Phoenix Ranch	187	Citrus, Blueberry	8	1.84	0.56	n/a	4,322
Griffith Farms	2000	Citrus	141	1.62	1.35	n/a	817

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 select properties, we are still in the process of collecting soil organic carbon data
- For Fowler, Sierra Heights, and Phoenix Ranch, harvest labor is not included
- On-farm electricity use is significantly higher at Fowler and Phoenix Ranch because a diesel-powered generator is in use at these farms

FACILITY TYPE	COMMUNITY CONTRIBUTION	WATER STEWARDSHIP	CLIMATE & ENERGY
Packing & Cold Storage (Legacy and Suntreat)	255 full-time equivalent	527.3 gallons/ton packed	193 kWh/ton packed
Nursery (Treesource)	78 full-time equivalent	3.7 gallons/tree	0.1 kWh/tree



SUSTAINABILITY AS STEWARDSHIP: **WHAT WE MEASURE**

Unless otherwise stated, all data have been collected since the start of operations.

LEADERSHIP INDICATORS

Regenerative management

- acreage

Water conservation

- high-efficiency drip irrigation investment

Integrated pest management

- weed mat investment

Cover Cropping

- acreage and quality

Pollinator habitat

- acreage and quality

Community contribution

- employee hours payroll, training hours



GROSS ACRES UNDER MANAGEMENT

Slightly more than 11 Central Parks

POLLINATOR HABITAT

58,639 sq. ft.

1 American football field

DRIP IRRIGATION

2,919 miles

More than the distance between New York City and San Francisco

EMPLOYMENT FOOTPRINT

586

annual full-time equivalent

FACILITY-LEVEL EFFICIENCY

Water use

- Total
- Gallons per ton packed

Energy use

- kWh per ton packed
- Energy cost per ton packed

Revenue generated by resource

- \$ per gallon of water (in development)
- \$ per kWh of electricity (in development)
- \$ per gallon of fuel (in development)



ENERGY COST SAVINGS

72% decreased cost of Legacy energy per ton packed

- in June 2016 over 2015, corresponding to a 133% increase in revenue earned per kWh used

WATER STORAGE

100 ac. ft.

WATER SAVED

306 million gallons

Water needs for over 2,300 typical CA households for 1 year

FARM-LEVEL PERFORMANCE

Soil health

- Soil organic matter % and soil carbon %

Water use

- Applied total
- Storage created

Applied nutrients

- nitrogen and phosphorus

Energy use

- kWh/acre

Biodiversity and habitat protection

(in development)

Greenhouse gas emissions

(in development)

COVER CROPS

604 acres

WEED MATTING

1,852 miles

ORGANIC ACREAGE

1960 acres
2 Central Parks

Notes on Leadership Indicators:

- Cover Crops – Agriculture Capital cover crops the alley rows at our farms. We use a mix of beneficial plants to support soil health, reduce runoff, increase carbon sequestration, improve water retention, and ultimately improve the productivity of our farms. To date, water challenges in the Central Valley have delayed the proliferation of cover cropping on our California assets, but we continue to look for innovative ways to translate this practice across regions.
- Weed Matting – Weed matting is the practice of laying down a fine net around targets crops to control the growth of unwanted crops. By using this technique, we are able to reduce reliance on chemical applications to control weeds, which has far-reaching benefits for the health of employees, watersheds, and pollinators. We are developing methodologies for measuring the impact of weed matting on reduced crop protectant use in conventional farming contexts and currently estimate that it has reduced chemical requirements by as much as half.
- Organic acreage – Figure represents acreage currently in transition from conventional to organic or actively being evaluated for organic transition.



Moving Forward

This report is a blueprint – a model – for our approach to expanding the reach of and access to regenerative food. It is a representation of both our theory of change and our humble initial steps in putting a shared vision in motion.

With humility, however, the notion of regenerative food – and more broadly, a regenerative food system – is far from being a reality. There is an enormous amount of work and a profound degree of resolve and focus to see it through, and it will involve a level of creative problem-solving and vulnerability that we have not even begun to contemplate.

It will also demand that we – not just we at Agriculture Capital, but all of us involved in creating a new vision for food – allow ourselves the freedom to make and learn from mistakes.

We have outlined the core of our current sustainability program, which – as our business grows and matures – will dramatically evolve in a number of important ways.

We are bringing a zero-waste operating strategy to our fruit packing and storage facilities and are currently in the process of bringing on a new fresh blueberry packing facility online this year. It will operate in accordance with zero waste principles. This commitment is closely tied to our deep concern about the growing issue of food waste and the responsibility we feel as an organization to work to ensure that all of the food we produce ultimately provides the most optimal nutrition possible – whether to people, animals, or soil.




While we are strongly committed to growing the marketplace for organic food, we also produce significant volumes of non-organic food. In many cases, this is because of a range of pest pressures that threaten several crops we grow that are in high demand by consumers. In these cases, we rely on the full toolkit that allows us to produce these crops successfully. However, we believe emphatically in the responsible use of crop protectants and other chemical inputs and are actively assessing those tools for the safest, most ecologically sensitive solutions that offer required effectiveness. We have already removed several chemicals from our operations.

Innovations in sustainable packaging represent a critical consumer touchpoint for our business – and for any business focused on food. We have designed our packing facilities for maximum flexibility in assessing future packaging solutions that reduce environmental footprint, offer the most regenerative end of life opportunities, and leverage the potential for closed loop options. We are actively exploring these kinds of alternatives as our crops reach maturity and will be taking steps to lead our categories and further distinguish the food we produce.

Our regenerative food program will continue to evolve. The work will never fully be complete. We have asked every single person in our organization – and many beyond it – to help us in our pursuit of making a positive impact in everything we do.

This is our commitment.





“The soil is the great connector
of our lives, the source and
destination of all.”

-Wendell Berry



Agriculture Capital

BRANDS

Suntreat

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Halls Ferry Farm
Polk County, Oregon

Humbug Farm
Polk County, Oregon

Smith Farms
Yamhill County, Oregon

Fowler Ranch
Fresno County, California

Sierra Heights Ranch
Tulare County, California

Phoenix Ranch
Fresno County, California

Sanger Ranch
Fresno County, California

Bixler Ranch
San Joaquin County, California

Griffith Farms
Tulare County, California

Richgrove Ranch
Tulare County, California

Sublimity Farms
Marion County, Oregon

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Tulare County, California

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CONTACT US:

Email: info@agcapmanagement.com

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