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Photo Credit: Schuil Ag Real Estate

# Golden Citrus Orchard

**Estimated Time:** 30 minutes

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# Summary – Attractive Deal and Aligned, Dedicated Team

- Mature blocks in production to support developing blocks with high projected cash flows throughout the majority of the 10-year hold period.
- Premier citrus growing region and the opportunity to partner with a best-in-class packing house.
- In-demand varieties with established and growing end markets.
- Historically strong irrigation district with additional water flexibility provided by fallowed block.
- Close attention of FarmTogether's institutional-level team.

|                                     |                 |
|-------------------------------------|-----------------|
| Target Net IRR                      | <b>10.0%</b>    |
| Target Net Avg. Cash Yield*         | <b>6.3%</b>     |
| Target Multiple on Invested Capital | <b>2.4x</b>     |
| Target Hold Period                  | <b>10 years</b> |

**\*Note:** Calculations of Target Net Average Cash Yield include both returns of reserve capital as well as farming profits.





Monarch Citrus Grove  
Tulare County, CA

# Growing Demand and Markets For Citrus

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# Uses and Markets for Lemons, Mandarins, and Navels

The majority of the citrus varieties grown on this property are marketed for fresh consumption.

**Tango Mandarins** - easy to peel and an attractive snack option, as well as used in salads.

**Lisbon Lemons** - Variety of culinary uses for juice and zest, both in food and in beverages.

**Cara Cara Navels** - Uniquely sweet flavor profile suited primarily to fresh consumption; a favorite at many CA farmers markets.

**Orosi Mandarin Farm**  
Tulare County, CA



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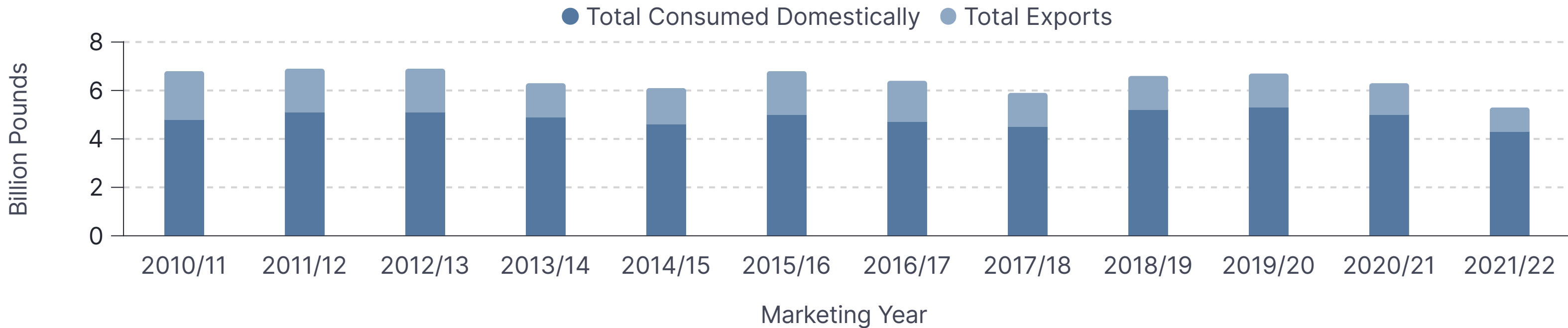


# Overview of US Citrus Production



- Over the last decade, the US has produced roughly 7% of the world's fresh citrus, including 10% of the world's lemons, 3% of the world's mandarins, and 9% of the world's oranges.
- Exports occupy a small share of total US Fresh Citrus production, being outweighed significantly by domestic consumption.

## The Strong Majority of US Production of Fresh Oranges, Mandarins and Lemons is Consumed Domestically





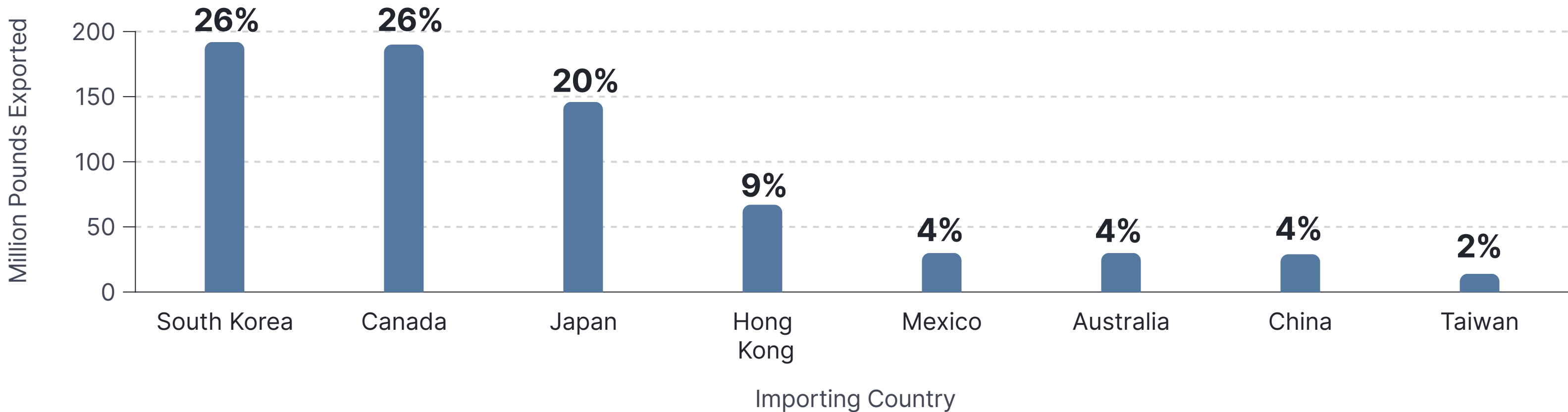
# Overview of US Fresh Citrus Exports



Among destinations for US fresh citrus exports, key trading partners in Asia and North America lead the way.

## Top Export Destinations for Fresh US Oranges, Lemons, and Mandarins are in Asia or North America

Based on cumulative exports over the last 4 years



Source: USDA Foreign Agricultural Service

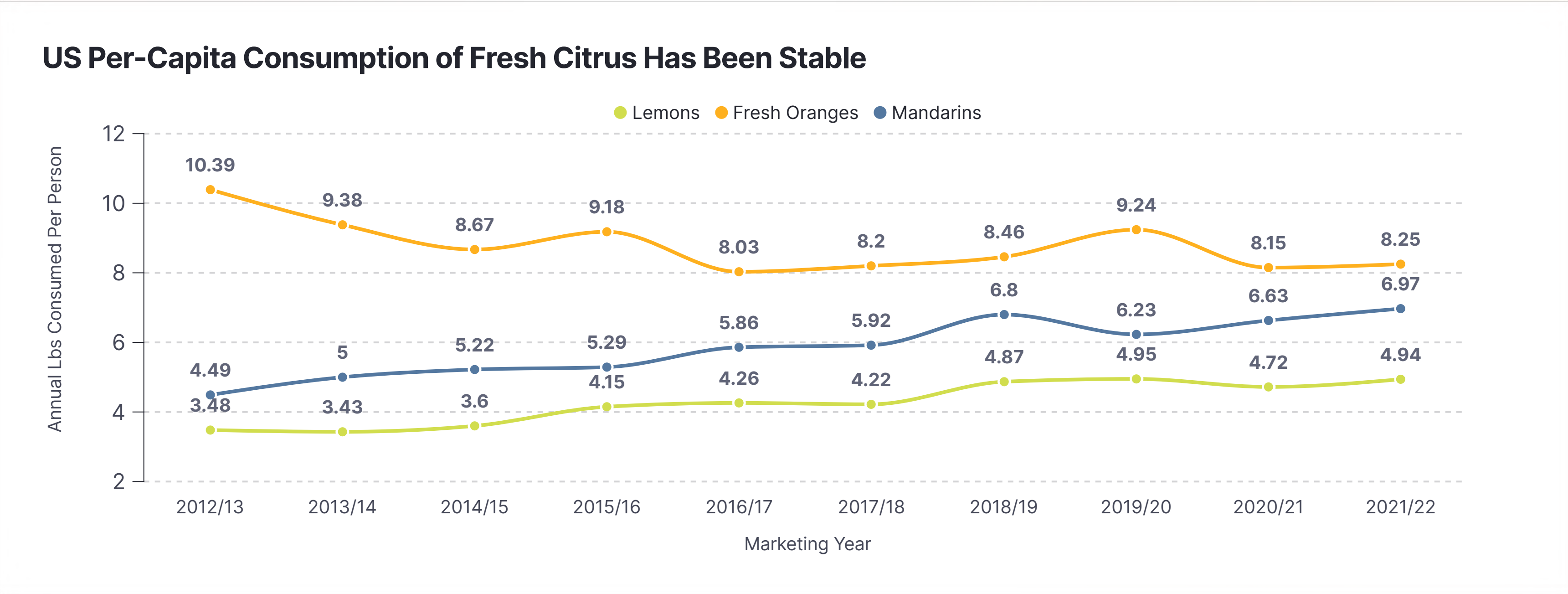
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# US Fresh Citrus Consumption



- Aggregate per-capita consumption of fresh citrus in the US has been stable.
- The last decade has seen moderate increases in per-capita consumption of both lemons and mandarins.



Source: USDA Foreign Agricultural Service - Production, Supply & Distribution

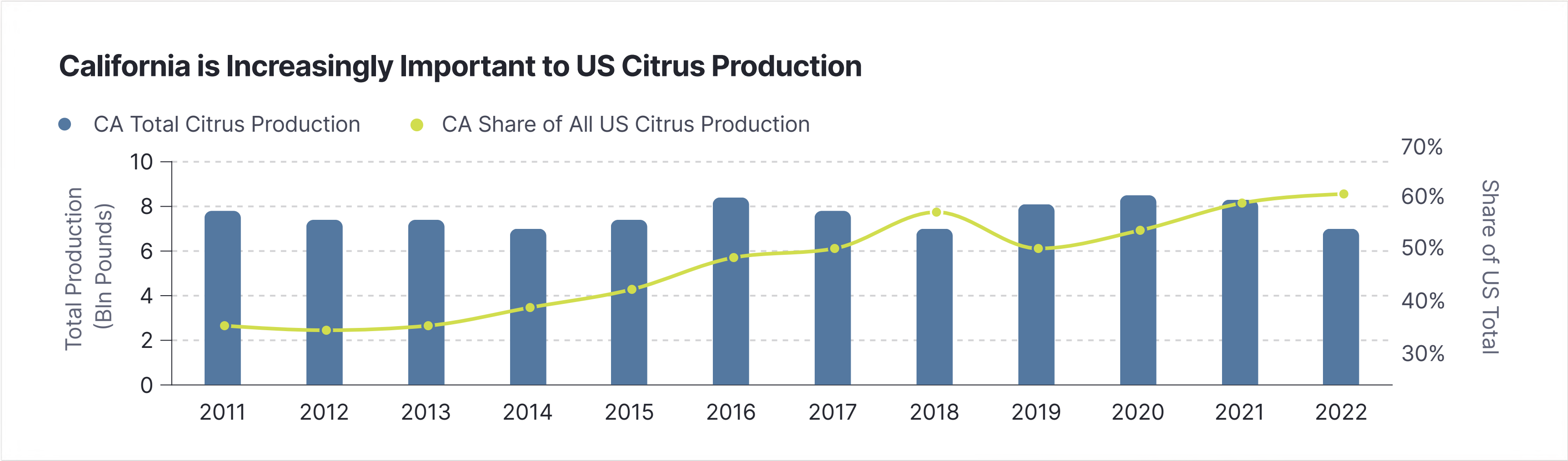
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# California's Significance to US Citrus Production



- While consumption has been stable, the landscape of US Citrus production has shifted significantly.
- Since 2017, California now accounts for more than half the nation's production of citrus fruits.
- In 2022, California growers produced 48% of the nation's mandarins and 95% of its lemons - both the highest figures of any state.





# Citrus Varieties And Price Trends



# Overview of Golden Citrus Orchards's Premium Varieties



*Darker colors in the chart below represent months of peak harvest*

- Lisbon Lemons peak from November through April, but continue to bear fruit throughout the year.
- Cara Cara Navels begin harvest in late November, and Tango Mandarins begin harvest in late January.

| Variety          | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Lisbon Lemons    |     |     |     |     |     |     |     |     |     |     |     |     |
| Cara Cara Navels |     |     |     |     |     |     |     |     |     |     |     |     |
| Tango Mandarins  |     |     |     |     |     |     |     |     |     |     |     |     |





# Lisbon Lemons



- One of the most widely produced lemon varieties in the world, and the most prevalent variety in California; grows well on both dwarf and tall-statured trees.
- Has very few seeds and is mostly consumed fresh for its juice and zest.
- Descended from a Portuguese variety and originally were introduced to California in the mid-1800's.
- Lisbon Lemons are medium-large size, and the lemon's bright yellow peel is moderately thick with a smooth and lightly textured feel.
- Excellent source of potassium, to balance fluid levels within the body, vitamin C to strengthen the immune system while reducing inflammation, and folate to assist in red blood cell production.

Most of their crop is harvested during November through May but will bear a smaller amount of fruit throughout the rest of the year.





# Cara Cara Navels

- A mutation of its parent variety, the Washington Navel, the Cara Cara Navel was discovered on a large farm in Venezuela in 1976; originally brought to Florida, but brought to California soon thereafter given the climate's unique suitability.
- High-yielding with deep orange color to both flesh and skin - flesh color is similar to a Star Ruby Grapefruit.
- Flesh color comes from a high concentration of beta-carotene and lycopene, as well as other powerful antioxidants - linked to heart health and lower cancer risk.
- Harvest season: late November through April.

**Sources:** UC Riverside Extension

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# Tango Mandarins

- Medium sized mandarin variety with a fine grained texture, easy-to-peel rind and vibrant deep orange color, tender and juicy flesh, sweet-tart flavor, making these an ideal fresh snack choice.
- Tangos mature over winter (late January), and good fruit quality can be maintained on the tree for 3-4 months afterwards. Peak harvest is usually mid-March.
- These mandarins were developed at the University of California Riverside in 2000 and were first selected for commercial production in 2006 largely due to their rich flavor and seedless nature.
- Excellent source of vitamin C, potassium, fiber, and folate, which together facilitate healthy digestive and immune systems and boost collagen production within the body.

**Sources:** specialtyproduce.com; UC Riverside Extension

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**Orosi Mandarin Farm**

Tulare County, CA



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# Golden Citrus Orchard Overview



# How the Deal Came to Us



- This property was an on-market listing that was sent to us by a farm manager that we work closely with. It was also screened and prioritized through our proprietary AI-driven sourcing engine, Terra.
- We were attracted to Golden Citrus Orchard due to its strong fundamentals and location in an exclusive citrus region nearby various other properties in our management portfolio.



Photo Credit: Schuil Ag Real Estate

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# Golden Citrus Orchard: Property Overview

- Golden Citrus Orchard is a rare opportunity to invest in 65 planted acres of diversified citrus blocks in the heart of the San Joaquin Valley's "Citrus Belt" on the far east side of the Central Valley - an area defined by an ideal microclimate, topography, and soils for growing citrus.
- The varietal diversity spreads labor costs and harvest throughout the year, and provides exposure to several products and end markets (snacks, salads, juice, zest, the food and beverage industry, etc.).
- The property consists of a mix of both mature and developing blocks including 25 acres of Tango Mandarins, 25 acres of Lisbon Lemons, and 15 acres of Cara Cara Navels. 15 acres are currently unplanted and will remain fallowed to provide additional flexibility with water banking and water transfer projects.

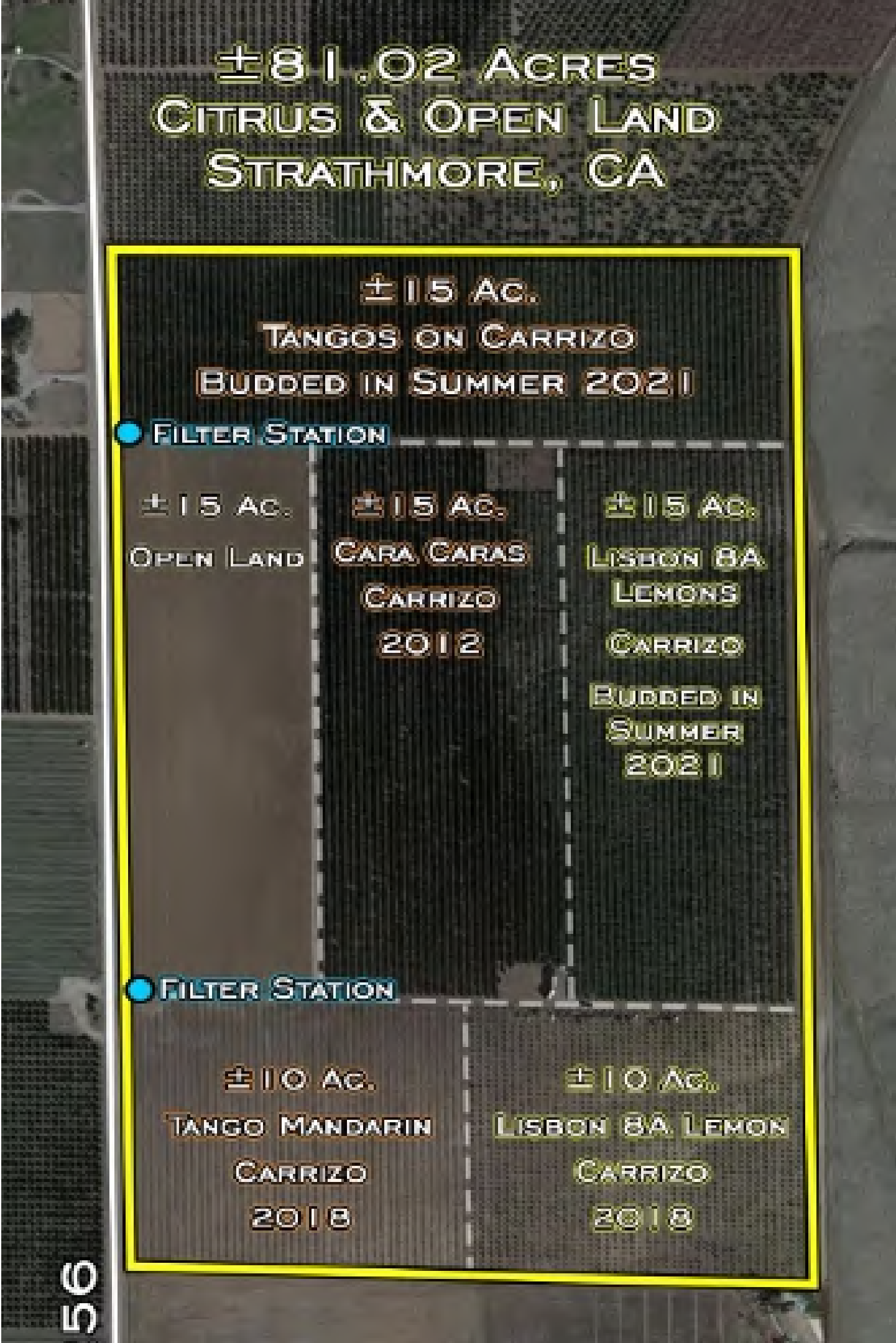




# Overhead Picture (Satellite) With Parcel Boundary Drawn

[Google Maps Link](#)

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# Property Location - Relative to FarmTogether Properties

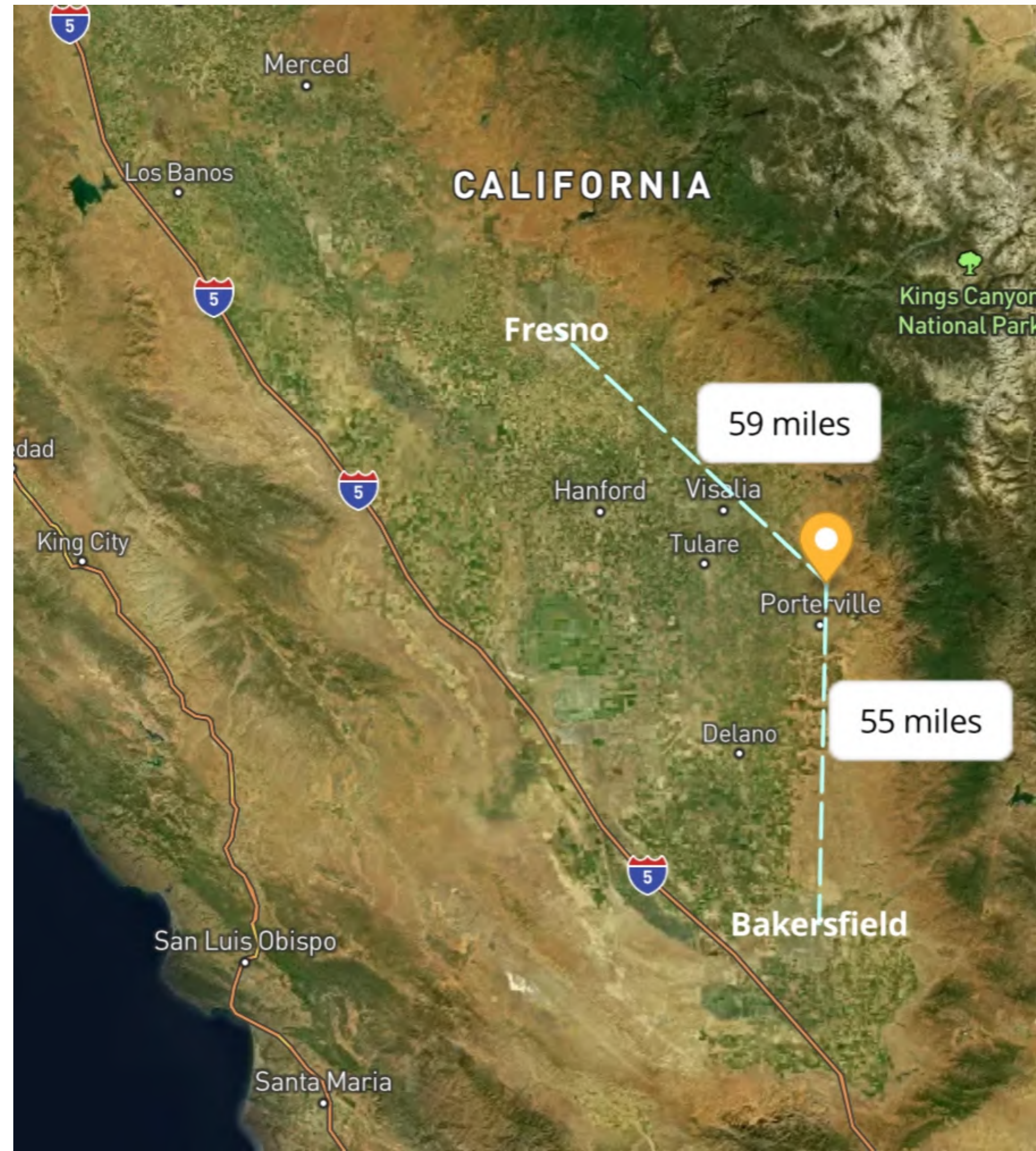
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# Property Location - Relative to Nearby Cities

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# Photos of Golden Citrus Orchard



Photo Credit: Schuil Ag Real Estate

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# Photos of Golden Citrus Orchard



Photo Credit: Schuil Ag Real Estate



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# Soil Profile



This property features highly suitable soils for citrus production:

## Strathmore CA - Permanent Crops: Citrus - 81.02 Acres

| Elevation |   |       |       |       | 623 feet   |  |
|-----------|---|-------|-------|-------|------------|--|
| Key       | Type  | Slope | Class | Acres | % of Total |  |
| 148       | Porterville clay, 2 to 9 percent slopes                     | 6     | 3     | 66.53 | 82.04      |  |
| 113       | Cibo clay, lithic bedrock, 15 to 30 percent slopes, MLRA 18 | 23    | 6     | 12.52 | 15.45      |  |
| 110       | Centerville clay, 2 to 9 percent slopes                     | 6     | 3     | 2.05  | 2.53       |  |
| Total     |   |       |       | 81.10 | 100.00%    |  |

☐ Show surrounding soils



**\*Note:** Slight difference from assessed acres due to manually outlining the property on the NRCS website.

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# About the Operator - Citricare Farming



- Founded in 2018 by Joe Stewart, a lifetime Citrus farmer with decades of experience in the California Citrus belt.
- In 5 years of operation, they have grown to manage over 2,700 acres in the central valley for numerous local and institutional landowners.
- Joe Stewart holds a degree in Plant Science and Ag Management from the College of the Sequoias as well as his Pest Control Advisor and Qualified Applicator licenses.
- Citricare currently manages 5 other FarmTogether citrus properties in the region.





# Superior Water Resources at Golden Citrus Orchard:

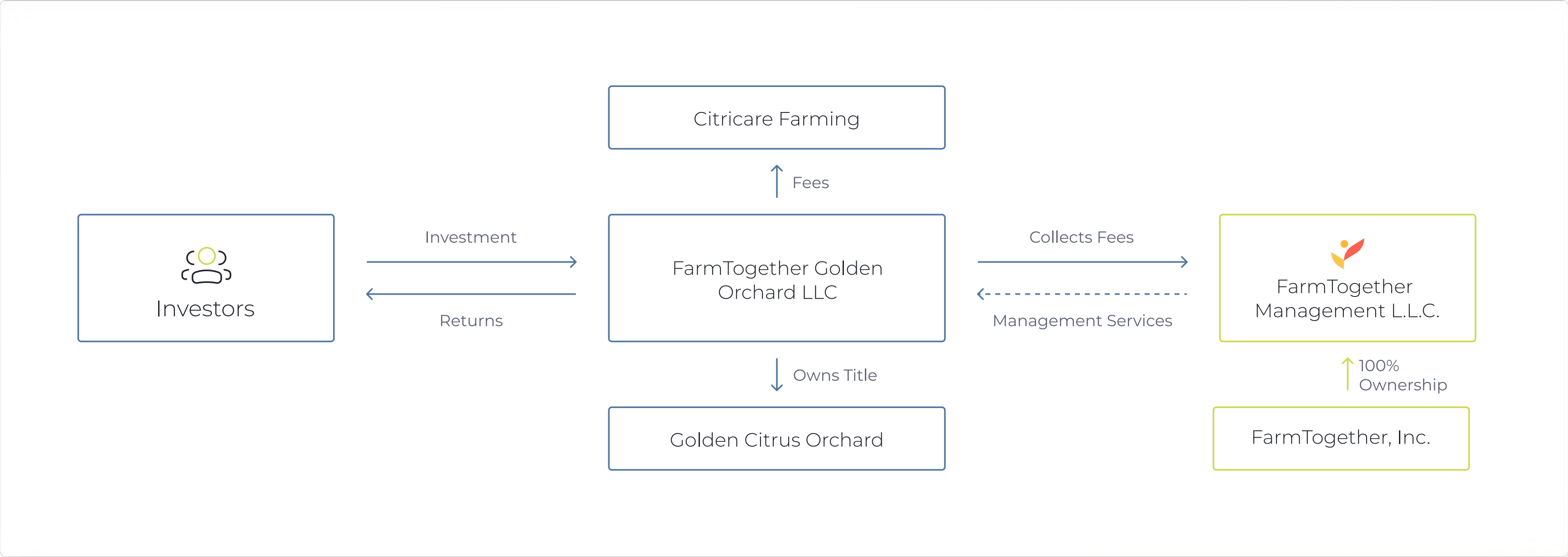
- This property will be irrigated with surface water, delivered via an automated micro-sprinkler irrigation system.
- Surface water is delivered by Lindsay-Strathmore Irrigation District (LSID), one of the strongest and most consistent districts in California. The district is supplied by three sources:
  - 27,500 acre-feet of Class 1 Friant Division water from the Central Valley Project
  - 24% of the shares of the Wutchumna Water Company
  - Strategic transfers and exchanges with other surface water entities
- **Historically, this district has provided sufficient water deliveries to meet this farm's entire irrigation demands, even in times of severe drought.**



Photo Credit: Schuil Ag Real Estate



# Legal Structure



**Note:** FarmTogether Golden Orchard, LLC may not be the sole fee owner if it elects to purchase the property alongside other TIC investors.





Photo Credit: Schuil Ag Real Estate

# Attractive Opportunity in a Prime Farming Region



|                                      |  |
|--------------------------------------|--|
| Offering Size:                       | \$4,626,249                            |
| Target Net IRR:                      | 10.0%                                  |
| Target Net Average Cash Yield:       | 6.3%                                   |
| Target Multiple On Invested Capital: | 2.4x                                   |
| Target Hold Period:                  | 10 years                               |
| Exit Gross Proceeds (per acre):      | \$82,641                               |
| Institutional-Grade Oversight:       | Close attention of FarmTogether's team |

**Note:** The above return projections assume an inflation rate of 3.0% on both crop prices and farming costs, a land price appreciation rate of 5.0%, and further assume that both farming yields and crop prices from this property will follow our modeled trajectory. Target Net Average Cash Yield reflects both farm profits and returns of reserve capital.



# Model & Estimated Payouts

- Golden Citrus Orchard is modeled conservatively and priced below historical averages and current market conditions.
- Due to the partial development taking place on the property, we expect the farm to be cash flow positive beginning in 2025.
- In 2025 and beyond, investors are projected to receive annual distributions from farm profits. We expect crop yields to remain stable at full production throughout the 10-year hold period and beyond.



Photo Credit: Schuil Ag Real Estate



# FarmTogether's Conservative Modeling Approach



- Our pricing is modeled conservatively below localized 6-year averages for each of the varieties planted at Golden Orchard.
- Historical pricing on these varieties is based on information from specific packing houses in the region.

|                        | Tango Mandarins | Cara-Cara Navels | Lisbon Lemons |
|------------------------|-----------------|------------------|---------------|
| 6-Year Average Price   | \$325           | \$245            | \$251         |
| Modeled Price - Year 1 | \$275           | \$230            | \$200         |

**Note:** Price shown per bin (900lbs); Modeled price shown reflects Y1 price and increases 3% per year throughout the hold period

**Source:** Central California Packing Houses; FarmTogether Research



# Model & Projected Payouts With \$100,000 Investment



A \$100,000 investment in this property would entail payment of \$1,951 toward FarmTogether's One-Time Fee.

| Projected distribution         | 2023 | 2024 | 2025     | 2026     | 2027     | 2028     | 2029     | 2030     | 2031     | 2032      | 2033      | Total     |
|--------------------------------|------|------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|
| Return of Capital              | -    | -    | -        | -        | -        | -        | -        | -        | -        | -         | \$34,495  | \$34,495  |
| Income                         | -    | -    | \$ 1,410 | \$ 3,709 | \$ 5,454 | \$ 7,905 | \$ 8,915 | \$10,018 | \$10,365 | \$10,723  | \$11,898  | \$70,398  |
| Sale Proceeds                  | -    | -    | -        | -        | -        | -        | -        | -        | -        | -         | \$142,783 | \$142,783 |
| Total                          | -    | -    | \$1,410  | \$3,709  | \$5,454  | \$7,905  | \$8,915  | \$10,018 | \$10,365 | \$ 10,723 | \$189,176 | \$247,675 |
| Payout as % of your investment | -    | -    | 1.41%    | 3.71%    | 5.45%    | 7.91%    | 8.91%    | 10.02%   | 10.36%   | 10.72%    | 189.18%   | 242.67%   |

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# Targeted Deal Structure - Project Basis



The purchase of the property will be financed with 100% equity.

| Sources             | \$          | %    | Uses                              | \$          |
|---------------------|-------------|------|-----------------------------------|-------------|
| Offering Size       | \$4,626,249 | 100% | Project Basis                     | \$4,427,032 |
| Client Equity       | \$4,537,708 | 98%  | Purchase Price                    | \$3,555,000 |
| Total One-Time Fees | \$88,541    | 2%   | Development CAPEX                 | \$318,636   |
| Total Debt          | -           | 0%   | Working Capital + Reserve Capital | \$488,195   |
| Debt - Purchase     | -           | 0%   | Escrowed Debt Service             | -           |
| Debt - Development  | -           | 0%   | Due Diligence + Closing Costs     | \$65,202    |
|                     |             |      | Total Pre-Raised Fees             | \$199,217   |
|                     |             |      | Pre-Raised Annual Mgmt. Fees      | \$110,676   |
|                     |             |      | FarmTogether One-Time Fee         | \$88,541    |
|                     |             |      | Structuring Fee                   | \$80,000    |
|                     |             |      | 0.0% of project basis             | \$8,541     |
| Total Sources       | \$4,626,249 | 100% | Total Investment                  | \$4,626,249 |

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# FarmTogether Fees



- \$88,541 FarmTogether One-Time Fee
  - Allocated pro-rata per your capital contribution
- 1.50% Management Fee\*
  - Calculated as a % of project basis not including one-time fee
- 5.00% Share of NOI\*\*
  - Calculated as a % of net operating income at the end of each year

*Note:*

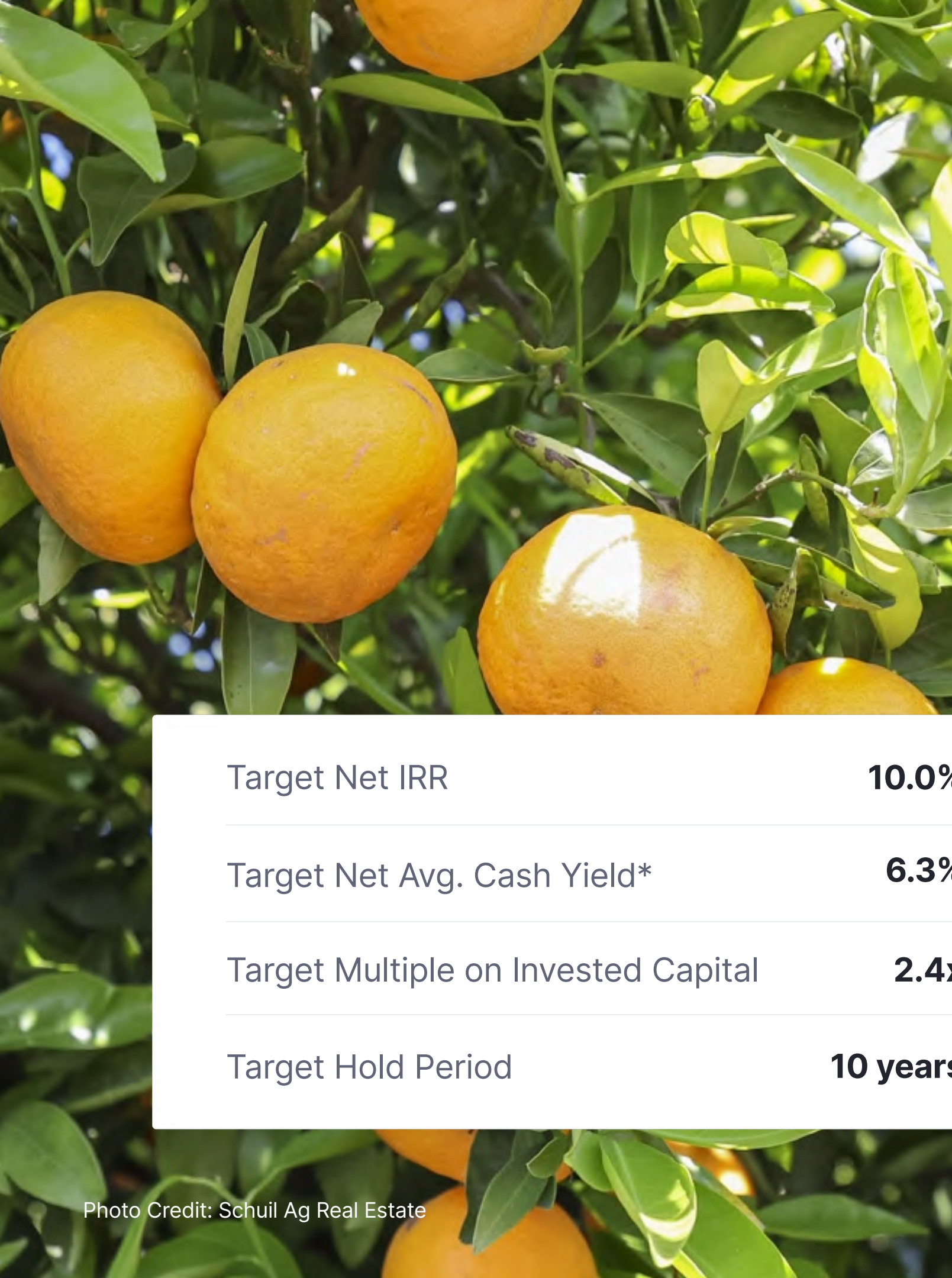
*\*Netted against distributions*

*\*\*NOI is calculated after depreciation*



Photo Credit: Schuil Ag Real Estate





# Summary – Attractive Deal and Aligned, Dedicated Team

- Mature blocks in production to support developing blocks with high projected cash flows throughout the majority of the 10-year hold period.
- Rare opportunity to enter the best citrus growing region in the US.
- Early high cash flow with peak production maintained through the hold period.
- Strong water resources and opportunity to expand relationship with trusted farm operating partner.
- Close attention of FarmTogether's institutional-level team.

|                                     |                 |
|-------------------------------------|-----------------|
| Target Net IRR                      | <b>10.0%</b>    |
| Target Net Avg. Cash Yield*         | <b>6.3%</b>     |
| Target Multiple on Invested Capital | <b>2.4x</b>     |
| Target Hold Period                  | <b>10 years</b> |

**\*Note:** Calculations of Target Net Average Cash Yield include both returns of reserve capital as well as farming profits.



# Frequently Asked Questions



## How did you arrive at your exit value?

——— *We estimate the blended per acre value of a **mature** grove today to be around \$52k/acre. We then applied a historically supported weighted average CAGR of 4.6% to reach our exit value fo \$82,641/acre.*

## What types of insurance will this property have?

——— General liability and multi-peril crop insurance.

## Have you secured debt either for the purchase of the property or for its development? How have you structured it?

——— In the current interest rate environment, debt is not accretive for this type of investment, so we will purchase this opportunity exclusively with equity.

## What happens if FarmTogether goes out of business? Is my investment safe?

——— Each investment is a unit in a separate LLC that owns the title to the land. All investors retain their legal ownership in this LLC independent of FarmTogether. In the event of our inability to continue servicing this asset, we will aim to secure an external manager to continue to operate the LLCs per the existing agreements.

## What happens if your farm manager / operating partner goes out of business?

——— In the unlikely event that current operator defaults, we have the ability to contract the management of this farm out to other high-quality operators in the region.





**Daybreak Organic Apple Orchard**

Chelan County, WA

# Thank you

**Invest in** a matter of minutes at [FarmTogether.com](https://farmtogether.com).

**Email us** with your questions at: [investments@farmtogether.com](mailto:investments@farmtogether.com)

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