UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2021

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _______________ to _______________

Commission file number: **001-35795**

GLADSTONE LAND CORPORATION

(Exact name of registrant as specified in its charter)

Maryland	**54-1892552**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1521 Westbranch Drive, Suite 100 McLean, Virginia	**22102**
(Address of principal executive offices)	(Zip Code)

(703) 287-5800

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.001 par value per share	LAND	The Nasdaq Stock Market, LLC
6.00% Series B Cumulative Redeemable Preferred Stock, $0.001 par value per share	LANDO	The Nasdaq Stock Market, LLC
5.00% Series D Cumulative Redeemable Term Preferred Stock, $0.001 par value per share	LANDM	The Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares of the registrant's Common Stock, $0.001 par value per share, outstanding as of November 8, 2021, was 34,210,013.

GLADSTONE LAND CORPORATION

FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2021

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per-share data)
(Unaudited)

	September 30, 2021	December 31, 2020
ASSETS		
Real estate, at cost	$ 1,223,935	$ 1,095,439
Less: accumulated depreciation	(67,007)	(49,236)
Total real estate, net	1,156,928	1,046,203
Lease intangibles, net	4,742	3,732
Cash and cash equivalents	66,491	9,218
Other assets, net	33,675	8,136
TOTAL ASSETS	**$ 1,261,836**	**$ 1,067,289**
LIABILITIES AND EQUITY		
LIABILITIES:		
Borrowings under lines of credit	$ 100	$ 100
Notes and bonds payable, net	645,967	623,961
Series A cumulative term preferred stock, $0.001 par value, $25.00 per share liquidation preference; 0 shares authorized, 0 shares issued or outstanding as of September 30, 2021; 2,000,000 shares authorized, 1,150,000 shares issued and outstanding as of December 31, 2020, net	—	28,594
Series D cumulative term preferred stock, $0.001 par value, $25.00 per share liquidation preference; 3,600,000 shares authorized, 2,415,000 shares issued and outstanding as of September 30, 2021; 0 shares authorized, issued, or outstanding as of December 31, 2020, net	58,594	—
Accounts payable and accrued expenses	8,409	9,081
Due to related parties, net	3,181	2,484
Other liabilities, net	20,138	19,279
Total liabilities	736,389	683,499
Commitments and contingencies (Note 7)		
EQUITY:		
Stockholders' equity:		
Series B cumulative redeemable preferred stock, $0.001 par value, $25.00 per share liquidation preference; 6,456,065 shares authorized, 5,956,065 shares issued and outstanding as of September 30, 2021, and December 31, 2020	6	6
Series C cumulative redeemable preferred stock, $0.001 par value, $25.00 per share liquidation preference; 25,989,942 shares authorized, 2,600,604 shares issued and outstanding as of September 30, 2021; 25,999,862 shares authorized, 1,088,435 shares issued and outstanding as of December 31, 2020	3	1
Common stock, $0.001 par value; 63,953,993 shares authorized, 32,043,989 shares issued and outstanding as of September 30, 2021; 65,544,073 shares authorized, 26,219,019 shares issued and outstanding as of December 31, 2020	32	26
Additional paid-in capital	598,693	440,470
Distributions in excess of accumulated earnings	(74,427)	(55,213)
Accumulated other comprehensive loss	(987)	(1,500)
Total stockholders' equity	523,320	383,790
Non-controlling interests in Operating Partnership	2,127	—
Total equity	525,447	383,790
TOTAL LIABILITIES AND EQUITY	**$ 1,261,836**	**$ 1,067,289**

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(In thousands, except share and per-share data)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
OPERATING REVENUES:				
Lease revenue, net	$ 19,591	$ 13,989	$ 52,518	$ 41,907
Total operating revenues	19,591	13,989	52,518	41,907
OPERATING EXPENSES:				
Depreciation and amortization	6,944	3,909	19,280	12,010
Property operating expenses	696	287	2,031	1,525
Base management fee	1,748	1,078	4,494	3,159
Incentive fee	945	821	2,107	2,155
Administration fee	412	344	1,115	1,084
General and administrative expenses	462	419	1,582	1,462
Total operating expenses	11,207	6,858	30,609	21,395
OTHER INCOME (EXPENSE):				
Other income	20	323	2,274	1,668
Interest expense	(6,126)	(5,202)	(18,460)	(15,155)
Dividends declared on Series A and Series D cumulative term preferred stock	(755)	(458)	(2,314)	(1,375)
Loss on dispositions of real estate assets, net	(1)	(195)	(1,841)	(861)
Property and casualty recovery, net	—	1	—	68
(Loss) income from investments in unconsolidated entities	(19)	(19)	(42)	7
Total other expense, net	(6,881)	(5,550)	(20,383)	(15,648)
NET INCOME	**1,503**	**1,581**	**1,526**	**4,864**
Net income attributable to non-controlling interests	(8)	(13)	(8)	(52)
NET INCOME ATTRIBUTABLE TO THE COMPANY	1,495	1,568	1,518	4,812
Dividends declared on Series B and Series C cumulative redeemable preferred stock	(3,111)	(2,361)	(8,814)	(6,749)
Loss on extinguishment of Series B and Series C cumulative redeemable preferred stock	(23)	(44)	(23)	(44)
NET LOSS ATTRIBUTABLE TO COMMON STOCKHOLDERS	**$ (1,639)**	**$ (837)**	**$ (7,319)**	**$ (1,981)**
LOSS PER COMMON SHARE:				
Basic and diluted	$ (0.05)	$ (0.04)	$ (0.25)	$ (0.09)
WEIGHTED-AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
Basic and diluted	31,362,423	21,991,291	29,215,628	21,558,859
COMPREHENSIVE INCOME:				
Net income attributable to the Company	$ 1,495	$ 1,568	$ 1,518	$ 4,812
Change in fair value related to interest rate hedging instruments	357	95	513	(1,331)
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE COMPANY	$ 1,852	$ 1,663	$ 2,031	$ 3,481

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except share data)
(Unaudited)

	Three Months Ended September 30, 2021											
	Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value						
Balance at June 30, 2021	**5,956,065**	**$ 6**	**2,029,455**	**$ 2**	**30,478,064**	**$ 30**	**$ 549,123**	**$ (68,533)**	**$ (1,344)**	**$ 479,284**	**$ 2,030**	**$ 481,314**
Issuance of Series C Preferred Stock, net	—	—	581,069	1	—	—	13,253	—	—	13,254	—	13,254
Redemption of Series C Preferred Stock	—	—	(9,920)	—	—	—	(225)	(23)	—	(248)	—	(248)
Issuance of common stock, net	—	—	—	—	1,565,925	2	36,659	—	—	36,661	—	36,661
Net income	—	—	—	—	—	—	—	1,495	—	1,495	8	1,503
Dividends—Series B Preferred Stock and Series C Preferred Stock	—	—	—	—	—	—	—	(3,111)	—	(3,111)	—	(3,111)
Distributions—OP Units and common stock	—	—	—	—	—	—	—	(4,255)	—	(4,255)	(28)	(4,283)
Comprehensive income attributable to the Company	—	—	—	—	—	—	—	—	357	357	—	357
Adjustment to non-controlling interests resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	(117)	—	—	(117)	117	—
Balance at September 30, 2021	**5,956,065**	**$ 6**	**2,600,604**	**$ 3**	**32,043,989**	**$ 32**	**$ 598,693**	**$ (74,427)**	**$ (987)**	**$ 523,320**	**$ 2,127**	**$ 525,447**

	Nine Months Ended September 30, 2021											
	Series B Preferred Stock		Series C Preferred Stock		Common Stock		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value						
Balance at December 31, 2020	**5,956,065**	**$ 6**	**1,088,435**	**$ 1**	**26,219,019**	**$ 26**	**$ 440,470**	**$ (55,213)**	**$ (1,500)**	**$ 383,790**	**$ —**	**$ 383,790**
Issuance of Series C Preferred Stock, net	—	—	1,522,089	2	—	—	34,617	—	—	34,619	—	34,619
Redemption of Series C Preferred Stock	—	—	(9,920)	—	—	—	(225)	(23)	—	(248)	—	(248)
Issuance of OP Units as consideration in real estate acquisitions, net	—	—	—	—	—	—	—	—	—	—	3,970	3,970
Issuance of common stock, net	—	—	—	—	5,824,970	6	122,045	—	—	122,051	—	122,051
Net income	—	—	—	—	—	—	—	1,518	—	1,518	8	1,526
Dividends—Series B Preferred Stock and Series C Preferred Stock	—	—	—	—	—	—	—	(8,814)	—	(8,814)	—	(8,814)
Distributions—OP Units and common stock	—	—	—	—	—	—	—	(11,895)	—	(11,895)	(65)	(11,960)
Comprehensive income attributable to the Company	—	—	—	—	—	—	—	—	513	513	—	513
Adjustment to non-controlling interests resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	1,786	—	—	1,786	(1,786)	—
Balance at September 30, 2021	**5,956,065**	**$ 6**	**2,600,604**	**$ 3**	**32,043,989**	**$ 32**	**$ 598,693**	**$ (74,427)**	**$ (987)**	**$ 523,320**	**$ 2,127**	**$ 525,447**

The accompanying notes are an integral part of these condensed consolidated financial statements.

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GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Continued)
(In thousands, except share data)
(Unaudited)

	Three Months Ended September 30, 2020											
	Series B Preferred Stock		Series C Preferred Stock		Common Stock							
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance at June 30, 2020	**5,972,482**	**$ 6**	**130,702**	**$ —**	**21,534,739**	**$ 22**	**$ 352,677**	**$ (45,653)**	**$ (1,816)**	**$ 305,236**	**$ 1,147**	**$ 306,383**
Redemption of Series B Preferred Stock	(16,417)	—	—	—	—	—	(327)	(44)	—	(371)	—	(371)
Issuance of Series C Preferred Stock, net	—	—	289,528	—	—	—	6,563	—	—	6,563	—	6,563
Redemption of OP Units	—	—	—	—	144,151	—	2,291	—	—	2,291	(2,291)	—
Issuance of common stock, net	—	—	—	—	526,016	—	8,392	—	—	8,392	—	8,392
Net income	—	—	—	—	—	—	—	1,568	—	1,568	13	1,581
Dividends—Series B Preferred Stock and Series C Preferred Stock	—	—	—	—	—	—	—	(2,361)	—	(2,361)	—	(2,361)
Distributions—OP Units and common stock	—	—	—	—	—	—	—	(2,967)	—	(2,967)	—	(2,967)
Comprehensive loss attributable to the Company	—	—	—	—	—	—	—	—	95	95	—	95
Adjustment to non-controlling interests resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	(1,131)	—	—	(1,131)	1,131	—
Balance at September 30, 2020	**5,956,065**	**$ 6**	**420,230**	**$ —**	**22,204,906**	**$ 22**	**$ 368,465**	**$ (49,457)**	**$ (1,721)**	**$ 317,315**	**$ —**	**$ 317,315**

	Nine Months Ended September 30, 2020											
	Series B Preferred Stock		Series C Preferred Stock		Common Stock							
	Number of Shares	Par Value	Number of Shares	Par Value	Number of Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance at December 31, 2019	**4,755,869**	**$ 5**	**—**	**$ —**	**20,936,658**	**$ 21**	**$ 315,770**	**$ (38,785)**	**$ (390)**	**$ 276,621**	**$ 2,349**	**$ 278,970**
Issuance of Series B Preferred Stock, net	1,229,531	1	—	—	—	—	27,049	—	—	27,050	—	27,050
Redemption of Series B Preferred Stock	(29,335)	—	—	—	—	—	(636)	(44)	—	(680)	—	(680)
Issuance of Series C Preferred Stock, net	—	—	420,230	—	—	—	9,526	—	—	9,526	—	9,526
Redemption of OP Units	—	—	—	—	288,303	—	4,383	—	—	4,383	(4,383)	—
Issuance of common stock, net	—	—	—	—	979,945	1	14,423	—	—	14,424	—	14,424
Net income	—	—	—	—	—	—	—	4,812	—	4,812	52	4,864
Dividends—Series B Preferred Stock and Series C Preferred Stock	—	—	—	—	—	—	—	(6,749)	—	(6,749)	—	(6,749)
Distributions—OP Units and common stock	—	—	—	—	—	—	—	(8,691)	—	(8,691)	(68)	(8,759)
Comprehensive loss attributable to the Company	—	—	—	—	—	—	—	—	(1,331)	(1,331)	—	(1,331)
Adjustment to non-controlling interests resulting from changes in ownership of the Operating Partnership	—	—	—	—	—	—	(2,050)	—	—	(2,050)	2,050	—
Balance at September 30, 2020	**5,956,065**	**$ 6**	**420,230**	**$ —**	**22,204,906**	**$ 22**	**$ 368,465**	**$ (49,457)**	**$ (1,721)**	**$ 317,315**	**$ —**	**$ 317,315**

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 1,526	$ 4,864
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,280	12,010
Amortization of debt issuance costs	905	559
Amortization of deferred rent assets and liabilities, net	(397)	(212)
Amortization of right-of-use assets from operating leases and operating lease liabilities, net	10	(12)
Loss (income) from investments in unconsolidated entities	42	(7)
Bad debt expense	11	12
Loss on dispositions of real estate assets, net	1,841	861
Property and casualty recovery, net	—	(68)
Changes in operating assets and liabilities:		
Other assets, net	(5,761)	(3,192)
Accounts payable and accrued expenses and Due to related parties, net	1,652	(1,663)
Other liabilities, net	1,247	(1,559)
Net cash provided by operating activities	20,356	11,593
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of new real estate assets	(144,253)	(64,658)
Capital expenditures on existing real estate assets	(3,373)	(10,725)
Proceeds from dispositions of real estate assets	—	247
Deposits on prospective real estate acquisitions and investments	(1,875)	(550)
Insurance proceeds received capitalized as real estate additions	—	66
Net cash used in investing activities	(149,501)	(75,620)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of preferred and common equity	161,318	55,231
Offering costs	(4,359)	(3,636)
Redemptions of cumulative redeemable preferred stock (Series B and Series C)	(248)	(681)
Proceeds from issuance of mandatorily-redeemable preferred stock (Series D)	60,375	—
Redemption of mandatorily-redeemable preferred stock (Series A)	(28,750)	—
Borrowings from notes and bonds payable	40,683	20,781
Repayments of notes and bonds payable	(18,816)	(10,599)
Borrowings from lines of credit	—	19,000
Repayments of lines of credit	—	(7,500)
Payments of financing fees	(2,455)	(497)
Dividends paid on cumulative redeemable preferred stock (Series B and Series C)	(9,370)	(6,546)
Distributions paid on non-controlling common interests in Operating Partnership	(65)	(68)
Distributions paid on common stock	(11,895)	(8,691)
Net cash provided by financing activities	186,418	56,794
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**57,273**	**(7,233)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	9,218	13,688
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$ 66,491**	**$ 6,455**

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2021	**2020**
NON-CASH INVESTING AND FINANCING INFORMATION:		
Issuance of non-controlling interests in Operating Partnership in conjunction with acquisitions, net	$ 3,970	$ —
Real estate additions included in Accounts payable and accrued expenses and Due to related parties, net	670	5,363
Stock offering and OP Unit issuance costs included in Accounts payable and accrued expenses and Due to related parties, net	6	—
Financing fees included in Accounts payable and accrued expenses and Due to related parties, net	57	16
Unrealized gain (loss) related to interest rate hedging instruments	987	(1,721)
Dividends paid on Series C Preferred Stock via additional share issuances	106	1

The accompanying notes are an integral part of these condensed consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. BUSINESS AND ORGANIZATION

Business and Organization

Gladstone Land Corporation ("we," "us," or the "Company") is an agricultural real estate investment trust ("REIT") that was re-incorporated in Maryland on March 24, 2011, having been originally incorporated in California on June 14, 1997. We are primarily in the business of owning and leasing farmland, and we conduct substantially all of our operations through a subsidiary, Gladstone Land Limited Partnership (the "Operating Partnership"), a Delaware limited partnership. As we currently control the sole general partner of the Operating Partnership and own, directly or indirectly, a majority of the common units of limited partnership interest in the Operating Partnership ("OP Units"), the financial position and results of operations of the Operating Partnership are consolidated within our financial statements. As of September 30, 2021 and December 31, 2020, the Company owned approximately 99.4% and 100.0%, respectively, of the outstanding OP Units (see Note 8, "*Equity*," for additional discussion regarding OP Units).

Gladstone Land Advisers, Inc. ("Land Advisers"), a Delaware corporation and a subsidiary of ours, was created to collect any non-qualifying income related to our real estate portfolio and to perform certain small-scale farming business operations. We have elected for Land Advisers to be taxed as a taxable REIT subsidiary ("TRS") of ours. Since we currently own 100% of the voting securities of Land Advisers, its financial position and results of operations are consolidated within our financial statements. For the nine months ended September 30, 2021, and for the tax year ended December 31, 2020, there was no taxable income or loss from Land Advisers, nor did we have any undistributed REIT taxable income.

Subject to certain restrictions and limitations, and pursuant to contractual agreements, our business is managed by Gladstone Management Corporation (the "Adviser"), a Delaware corporation, and administrative services are provided to us by Gladstone Administration, LLC (the "Administrator"), a Delaware limited liability company. Our Adviser and Administrator are both affiliates of ours (see Note 6, "*Related-Party Transactions*," for additional discussion regarding our Adviser and Administrator).

All further references herein to "we," "us," "our," and the "Company" refer, collectively, to Gladstone Land Corporation and its consolidated subsidiaries, except where indicated otherwise.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Information

Our interim financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q in accordance with Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of our management, all adjustments (consisting solely of normal recurring accruals) necessary for the fair statement of financial statements for the interim period have been included. The interim financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020, as filed with the U.S. Securities and Exchange Commission (the "SEC") on February 24, 2021 (the "Form 10-K"). The results of operations for the three and nine months ended September 30, 2021, are not necessarily indicative of the results that may be expected for other interim periods or for the full fiscal year.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, including the impact of extraordinary events, such as the novel coronavirus ("COVID-19") pandemic, the results of which form the basis for making certain judgments. Actual results may materially differ from these estimates.

Recently-Issued Accounting Pronouncements

In April 2020, the FASB issued a staff question-and-answer document, "Topic 842 and Topic 840: Accounting for Lease Concessions Related to the Effects of the COVID-19 Pandemic" (the "COVID-19 Q&A"), to address certain frequently-asked questions pertaining to lease concessions arising from the effects of the COVID-19 pandemic. Existing lease guidance requires entities to determine if a lease concession is a result of a new arrangement reached with the tenant (which would be addressed under the lease modification accounting framework) or if a lease concession is under the enforceable rights and obligations within the existing lease agreement (which would not fall under the lease modification accounting framework). The COVID-19 Q&A clarifies that entities may elect to not evaluate whether lease-related relief granted in light of the effects of COVID-19 is a lease modification, provided that the concession does not result in a substantial increase in rights of the lessor or obligations of the lessee. This election is available for concessions that result in the total payments required by the modified contract being substantially the same as or less than the total payments required by the original contract. We have not needed to make use of this election to date.

On July 19, 2021, the FASB issued Accounting Standards Update ("ASU") 2021-05, "Leases (Topic 842): Lessors - Certain Leases With Variable Lease Payments," to improve guidance for a lessor's accounting for lease contracts that have variable lease payments not dependent on a reference index or a rate and that would have resulted in the recognition of a selling loss at commencement if classified as a sales-type or direct financing lease. Leases that contain such variable lease payments are to be classified and accounted for as operating leases by the lessor if the lease would have been classified as a sales-type lease or a direct financing lease and the lessor would otherwise have recognized a day-one loss. While earlier application is permitted, the amendments are effective for fiscal years beginning after December 15, 2021 and can be applied either retrospectively to leases that commenced or were modified on or subsequent to the adoption of Topic 842 or prospectively as of the date of adoption of ASU 2021-05. The Company early adopted this ASU using the prospective method, however the implementation of this update did not have a material impact on our consolidated financial statements.

NOTE 3. REAL ESTATE AND INTANGIBLE ASSETS

All of our properties are wholly-owned on a fee-simple basis, except where noted. The following table provides certain summary information about the158 farms we owned as of September 30, 2021 (dollars in thousands, except for footnotes):

Location	No. of Farms	Total Acres	Farm Acres	Net Cost Basis[1]	Encumbrances[2]
California[3][4][5]	60	28,882	26,758	$ 724,248	$ 402,262
Florida	25	21,387	16,805	213,932	128,343
Arizona[6]	6	6,280	5,228	55,678	19,308
Colorado	12	32,773	25,577	47,543	29,618
Washington	3	1,384	1,001	38,030	25,325
Nebraska	9	7,782	7,050	30,479	12,210
Michigan	23	1,892	1,245	24,723	14,923
Oregon	4	561	471	18,293	3,781
Texas	1	3,667	2,219	8,269	5,059
Maryland	6	987	863	7,992	4,584
South Carolina	3	597	447	3,745	2,237
North Carolina	2	310	295	2,214	1,172
New Jersey	3	116	101	2,196	—
Delaware	1	180	140	1,279	735
	158	**106,798**	**88,200**	**$ 1,178,621**	**$ 649,557**

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs associated with the properties, and adjusted for accumulated depreciation and amortization. Specifically, includes Total real estate, net (excluding improvements paid for by the tenant), Lease intangibles, net, and Long-term water assets; plus net above-market lease values, lease incentives, and investments in special-purpose LLCs included in Other assets, net; and less net below-market lease values and other deferred revenue included in Other liabilities, net; each as shown on the accompanying Condensed Consolidated Balance Sheets.

(2) Excludes approximately $3.5 million of debt issuance costs related to notes and bonds payable, which is included in Notes and bonds payable, net on the accompanying Condensed Consolidated Balance Sheet.

(3) Includes ownership in a special-purpose LLC that owns a pipeline conveying water to certain of our properties. As of September 30, 2021, this investment had a net carrying value of approximately $1.1 million and is included within Other assets, net on the accompanying Condensed Consolidated Balance Sheet.

(4) Includes one farm in which we own a leasehold interest via a ground sublease with a California municipality that expires in December 2041. The ground sublease consists of approximately five acres and had a net cost basis of approximately $772,000 as of September 30, 2021 (included in Lease intangibles, net on the accompanying Condensed Consolidated Balance Sheet).

(5) Includes 25,330 acre-feet of water stored with Semitropic Water Storage District, located in Kern County, California. See "—*Investments in Water Assets*" below for additional information on this water.

(6) Includes two farms in which we own a leasehold interest via ground leases with the State of Arizona that expire in February 2022 and February 2025, respectively. In total, these two ground leases consist of 1,368 total acres and 1,221 farm acres and had an aggregate net cost basis of approximately $ 1.2 million as of September 30, 2021 (included in Lease intangibles, net on the accompanying Condensed Consolidated Balance Sheet).

Real Estate

The following table sets forth the components of our investments in tangible real estate assets as of September 30, 2021, and December 31, 2020 (dollars in thousands):

	September 30, 2021	December 31, 2020
Real estate:		
Land and land improvements	$ 769,384	$ 713,333
Permanent Plantings	250,099	202,420
Irrigation and drainage systems	147,210	141,408
Farm-related facilities	45,493	28,146
Other site improvements	11,749	10,132
Real estate, at cost	1,223,935	1,095,439
Accumulated depreciation	(67,007)	(49,236)
Total real estate, net	**$ 1,156,928**	**$ 1,046,203**

Real estate depreciation expense on these tangible assets was approximately $6.6 million and $18.3 million for the three and nine months ended September 30, 2021, respectively, and approximately $3.6 million and $10.6 million for the three and nine months ended September 30, 2020, respectively.

Included in the figures above are amounts related to improvements made on certain of our properties paid for by our tenants but owned by us, or tenant improvements. As of September 30, 2021, and December 31, 2020, we recorded tenant improvements, net of accumulated depreciation, of approximately $2.1 million and $2.0 million, respectively. We recorded both depreciation expense and additional lease revenue related to these tenant improvements of approximately $88,000 and $282,000 for the three and nine months ended September 30, 2021, respectively, and approximately $76,000 and $228,000 for the three and nine months ended September 30, 2020, respectively.

Intangible Assets and Liabilities

The following table summarizes the carrying values of certain lease intangible assets and the related accumulated amortization as of September 30, 2021, and December 31, 2020 (dollars in thousands):

	September 30, 2021	December 31, 2020
Lease intangibles:		
Leasehold interest – land	$ 4,292	$ 3,498
In-place leases	2,190	1,968
Leasing costs	1,822	1,640
Tenant relationships	127	127
Lease intangibles, at cost	8,431	7,233
Accumulated amortization	(3,689)	(3,501)
Lease intangibles, net	**$ 4,742**	**$ 3,732**

Total amortization expense related to these lease intangible assets was approximately $296,000 and $983,000 for the three and nine months ended September 30, 2021, respectively, and approximately $294,000 and $1.4 million for the three and nine months ended September 30, 2020, respectively.

The following table summarizes the carrying values of certain lease intangible assets or liabilities included in Other assets, net or Other liabilities, net, respectively, on the accompanying Condensed Consolidated Balance Sheets and the related accumulated amortization or accretion, respectively, as of September 30, 2021, and December 31, 2020 (dollars in thousands):

Intangible Asset or Liability	September 30, 2021 Deferred Rent Asset (Liability)	September 30, 2021 Accumulated (Amortization) Accretion	December 31, 2020 Deferred Rent Asset (Liability)	December 31, 2020 Accumulated (Amortization) Accretion
Above-market lease values and lease incentives[(1)]	$ 65	$ (11)	$ 308	$ (154)
Below-market lease values and other deferred revenue[(2)]	(2,220)	488	(908)	336
	$ (2,155)	**$ 477**	**$ (600)**	**$ 182**

(1) Net above-market lease values and lease incentives are included as part of Other assets, net on the accompanying Condensed Consolidated Balance Sheets, and the related amortization is recorded as a reduction of Lease revenue on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

(2) Net below-market lease values and other deferred revenue are included as a part of Other liabilities, net on the accompanying Condensed Consolidated Balance Sheets, and the related accretion is recorded as an increase to Lease revenue on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

Total amortization related to above-market lease values and lease incentives was approximately $47,000 for each of the three and nine months ended September 30, 2021, and approximately $32,000 and $94,000 for the three and nine months ended September 30, 2020, respectively. Total accretion related to below-market lease values and other deferred revenue was approximately $62,000 and $161,000 for the three and nine months ended September 30, 2021, respectively, and approximately $28,000 and $78,000 for the three and nine months ended September 30, 2020, respectively.

Acquisitions

2021 Acquisitions

During the nine months ended September 30, 2021, we acquired 21 new farms, which are summarized in the table below (dollars in thousands, except for footnotes):

Property Name	Property Location	Acquisition Date	Total Acres	No. of Farms	Primary Crop(s) / Use	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs[(1)]	Annualized Straight-line Rent[(2)]
Palmer Mill Road	Dorchester, MD	3/3/2021	228	2	Sod	10.0 years	2 (5 years)	$ 1,600	$ 56	$ 89
Eight Mile Road – Port Facility	San Joaquin, CA	3/11/2021	5	1	Cooling facility and storage	9.8 years	3 (5 years)	3,977	50	189
South Avenue	Tehama, CA	4/5/2021	2,285	1	Olives for olive oil	14.7 years	1 (5 years)	37,800	149	2,555
Richards Avenue	Atlantic, NJ	6/3/2021	116	3	Blueberries	14.9 years	2 (5 years)	2,150	63	129
Lerdo Highway (Phase I)[(3)(4)]	Kern, CA	6/4/2021	639	1	Conventional & organic almonds and banked water	10.4 years	3 (10 years)	26,492	111	974
Almena Drive	Van Buren & Eaton, MI	6/9/2021	930	8	Blueberries	14.7 years	2 (5 years)	13,300	49	785
Maricopa Highway	Kern, CA	8/11/2021	277	1	Organic blueberries	14.9 years	3 (5 years)	30,000	63	2,262
Wallace Road	Yamhill, OR	8/11/2021	143	1	Organic blueberries	10.1 years	3 (5 years)	12,320	39	768
West Orange	St. Lucie, FL	8/18/2021	617	2	Lemons and oranges	12.0 years	None	5,241	180	367
Lerdo Highway (Phase II)[(3)(5)]	Kern, CA	8/20/2021	479	1	Conventional & organic almonds and banked water	10.2 years	3 (10 years)	14,772	53	735
			5,719	**21**				**$ 147,652**	**$ 813**	**$ 8,853**

(1) Includes approximately $50,000 of external legal fees associated with negotiating and originating the leases associated with these acquisitions, which were expensed in the period incurred.

(2) Based on the minimum cash rental payments guaranteed under the respective leases, as required under GAAP, and excludes contingent rental payments, such as participation rents.

(3) Lease provides for an annual participation rent component based on the gross crop revenues earned on the farm. The rent figure above represents only the minimum cash guaranteed under the lease.

(4) As part of the acquisition of this property, we acquired a contract to purchase 20,330 acre-feet of water stored with Semitropic Water Storage District, located in Kern County, California, at a fixed price. We executed this contract on June 25, 2021, at an additional cost of approximately $1.2 million, which is included in the total purchase price for this property in the table above. Rent is not currently being earned on the value attributable to the water. See "*—Investments in Water Assets*" below for additional information on this water.

(5) As part of the acquisition of this property, we acquired a contract to purchase 5,000 acre-feet of water stored with Semitropic Water Storage District, located in Kern County, California, at a fixed price. We executed this contract on August 23, 2021, at an additional cost of approximately $306,000, which is included in the total purchase price for this property in the table above. Rent is not currently being earned on the value attributable to the water. See "*—Investments in Water Assets*" below for additional information on this water.

During the three and nine months ended September 30, 2021, in the aggregate, we recognized operating revenues of approximately $1.8 million and $2.6 million, respectively, and net income of approximately $646,000 and $1.0 million, respectively, related to the above acquisitions.

2020 Acquisitions

During the nine months ended September 30, 2020, we acquired12 new farms, which are summarized in the table below (dollars in thousands, except for footnotes):

Property Name	Property Location	Acquisition Date	Total Acres	No. of Farms	Primary Crop(s)	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs[(1)]	Annualized Straight-line Rent[(2)]
County Road 18	Phillips, CO	1/15/2020	1,325	2	Sugar beets, edible beans, potatoes, & corn	6.0 years	None	$ 7,500	$ 39	$ 417
Lamar Valley	Chase, NE	5/7/2020	678	1	Potatoes, edible beans, & corn	6.7 years	2 (5 years)	3,500	43	204
Driver Road[(3)]	Kern, CA	6/5/2020	590	1	Pecans	4.7 years	2 (10 years)	14,169	52	784
Mt. Hermon	Wicomico & Caroline, MD, and Sussex, DE	8/31/2020	939	5	Sod & vegetables	10.0 years	2 (5 years)	7,346	226	432
Firestone Avenue[(4)(5)(6)]	Fresno, CA	9/3/2020	2,534	3	Pistachios and misc. organic & conventional vegetables	1.2 years	2 (5 years)	31,833	131	1,734
			6,066	**12**				**$ 64,348**	**$ 491**	**$ 3,571**

(1) Includes approximately $38,000 of aggregate external legal fees associated with negotiating and originating the leases associated with these acquisitions, which were expensed in the period incurred.
(2) Based on the minimum cash rental payments guaranteed under the applicable leases, as required under GAAP, and excludes contingent rental payments, such as participation rents.
(3) The lease provides for an initial term of 14.7 years and includes six tenant termination options throughout the initial term. The lease term stated above represents the term through the first available termination option, and the annualized straight-line rent amount represents the rent guaranteed through the noncancellable term of the lease.
(4) Lease provides for a participation rent component based on the gross crop revenues earned on the farm. The rent figure above represents only the minimum cash guaranteed under the lease.
(5) Lease provides for an initial term of 8.2 years but also includes an annual tenant termination option, effective as of the end of the then-current lease year (as defined within the lease). The lease term stated above represents the term through the first available termination option, and the annualized straight-line rent amount represents the rent guaranteed through the noncancellable term of the lease.
(6) In connection with the acquisition of this property, we also acquired an ownership interest in a related LLC, the sole purpose of which is to own and maintain a pipeline conveying water to this and other neighboring properties. Our acquired ownership, which equated to a 12.5% interest in the LLC, was valued at approximately $ 280,000 at the time of acquisition and is included within Other assets, net on the accompanying Condensed Consolidated Balance Sheets. See "*Investments in Unconsolidated Entities* " below for further information on our aggregate ownership interest in this LLC.

During the three and nine months ended September 30, 2020, we recognized operating revenues of approximately $527,000 and $808,000, respectively, and net income of approximately $253,000 and $448,000, respectively, related to the above acquisitions.

Purchase Price Allocations

The allocation of the aggregate purchase price for the farms acquired during each of the nine months ended September 30, 2021 and 2020 is as follows (dollars in thousands):

Assets (Liabilities) Acquired	2021 Acquisitions	2020 Acquisitions
Land and land improvements	$ 55,318	$ 44,154
Permanent plantings	47,502	12,245
Irrigation & drainage systems	6,492	7,250
Farm-related facilities	17,067	189
Other site improvements	984	—
Leasehold interest—land	787	—
In-place lease values	687	101
Leasing costs	509	133
Above-market lease values[(2)]	—	54
Below-market lease values[(1)]	(1,321)	(58)
Investment in LLC[(2)]	—	280
Water purchase contracts[(2)(3)]	18,075	—
Total Purchase Price	**$ 146,100**	**$ 64,348**

(1) Included within Other liabilities, net on the accompanying Condensed Consolidated Balance Sheets.
(2) Included within Other assets, net on the accompanying Condensed Consolidated Balance Sheets.
(3) Represents only the value attributable to the water purchase contracts acquired as part of the acquisition of Lerdo Highway and excludes approximately $ 1.6 million paid to execute the contracts subsequent to acquisition.

Investments in Unconsolidated Entities

In connection with the acquisition of certain farmland located in Fresno County, California, we also acquired an ownership in a related limited liability company (the "Fresno LLC"), the sole purpose of which is to own and maintain a pipeline conveying water to our and other neighboring properties. As of September 30, 2021, our aggregate ownership interest in the LLC was 50.0%. As our investment in the Fresno LLC is deemed to constitute "significant influence," we have accounted for this investment under the equity method.

We recorded (loss) income of approximately $(19,000) and $(42,000) during the three and nine months ended September 30, 2021, respectively, and approximately $(19,000) and $7,000 during the three and nine months ended September 30, 2020, respectively (included on our Condensed Consolidated Statements of Operations and Comprehensive Income as (Loss) income from investments in unconsolidated entities), which represents our pro-rata share of the (loss) income recognized by the Fresno LLC. Our combined ownership interest in the Fresno LLC, which had an aggregate carrying value of approximately $1.1 million and $1.2 million, as of September 30, 2021, and December 31, 2020, respectively, is included within Other assets, net on the accompanying Condensed Consolidated Balance Sheets.

Investments in Water Assets

In connection with the acquisition of certain farmland located in Kern County, California, we also acquired two contracts to purchase an aggregate of 25,330 acre-feet of banked water held by Semitropic Water Storage District ("SWSD"), a water storage district located in Kern County, California, at a fixed price. The contracts to purchase the banked water could not readily be net settled by means outside of the contracts, and all rights and obligations associated with the purchase contracts were transferred to us at acquisition of the related farmland. We were not required to purchase a specific amount, or any, of the 25,330 acre-feet of water. Upon acquisition, we recognized the contracts at their relative fair value in accordance with Accounting Standards Codification ("ASC") 805, "Business Combinations."

During the nine months ended September 30, 2021, we executed both contracts to purchase all 25,330 acre-feet of banked water for an aggregate additional cost of approximately $1.6 million. The purchased banked water was recognized at cost, including any administrative fees necessary to transfer the water to our banked water account. While we may, in the future, sell the banked water to an unrelated third party for a profit, our current intent is to hold the water for the long-term for future use on our own farms. There is no amount of time by which we must use the water held by SWSD.

As of September 30, 2021, the investment in banked water had a carrying value of approximately $19.6 million, which includes the subsequent cost to execute the contract, and is included within Other assets, net on our Condensed Consolidated Balance Sheet.

Each quarter, we will review the investment in banked water for any indicators of impairment in accordance with ASC 360, "Property, Plant, and Equipment," and perform an impairment analysis if there are any such indicators. As of September 30, 2021, we concluded that there were no such indicators and that the water was not impaired.

Portfolio Concentrations

Credit Risk

As of September 30, 2021, our farms were leased to various different, unrelated third-party tenants, with certain tenants leasing more than one farm. No individual tenant represented greater than 10.0% of the total lease revenue recorded during the nine months ended September 30, 2021.

Geographic Risk

Farms located in California and Florida accounted for approximately $33.7 million (64.1%) and $10.2 million (19.4%), respectively, of the total lease revenue recorded during the nine months ended September 30, 2021. Though we seek to continue to further diversify geographically, as may be desirable or feasible, should an unexpected natural disaster (such as an earthquake, wildfire, or flood) occur or climate change impact the regions where our properties are located, there could be a material adverse effect on our financial performance and ability to continue operations. None of our farms in California or Florida have been materially impacted by the recent wildfires or hurricanes that occurred in those respective regions. In addition, in light of the ongoing drought taking place in the western U.S., all of our farms in the region have independent (and, in most cases, multiple) sources of water, in addition to rainfall, and have not been materially impacted by the current drought conditions. No other single state accounted for more than 10.0% of our total lease revenue recorded during the nine months ended September 30, 2021.

Impairment

We evaluate our entire portfolio each quarter for any impairment indicators and perform an impairment analysis on those select properties that have an indication of impairment. As of September 30, 2021, and December 31, 2020, we concluded that none of our properties were impaired. There have been no impairments recognized on our real estate assets since our inception.

NOTE 4. BORROWINGS

Our borrowings as of September 30, 2021, and December 31, 2020, are summarized below (dollars in thousands):

	Carrying Value as of		As of September 30, 2021	
	September 30, 2021	**December 31, 2020**	**Stated Interest Rates[1] (Range; Wtd. Avg)**	**Maturity Dates (Range; Wtd. Avg)**
Notes and bonds payable:				
Fixed-rate notes payable	$ 564,695	$ 492,182	2.44%–5.70%; 3.73%	2/14/2022–7/1/2051; November 2032
Variable-rate notes payable	—	45,525	N/A	N/A
Fixed-rate bonds payable	84,762	89,883	2.13%–4.57%; 3.45%	1/12/2022–10/31/2028; October 2024
Total notes and bonds payable	649,457	627,590		
Debt issuance costs – notes and bonds payable	(3,490)	(3,629)	N/A	N/A
Notes and bonds payable, net	**$ 645,967**	**$ 623,961**		
Variable-rate revolving lines of credit	**$ 100**	**$ 100**	2.50%	4/5/2024
Total borrowings, net	**$ 646,067**	**$ 624,061**		

(1) Where applicable, stated interest rates are before interest patronage (as described below).

As of September 30, 2021, the above borrowings were collateralized by certain of our farms with an aggregate net book value of approximately $1.1 billion. The weighted-average interest rate charged on the above borrowings (excluding the impact of debt issuance costs and before any interest patronage, or refunded interest) was 3.74% and 3.72% for the three and nine months ended September 30, 2021, respectively, as compared to 4.03% and 3.99% for each of the three and nine months ended September 30, 2020. In addition, 2020 interest patronage from our Farm Credit Notes Payable (as defined below) resulted in a 28.7% reduction (approximately 135 basis points) to the stated interest rates on such borrowings. See below under "*—Farm Credit Notes Payable—Interest Patronage*" for further discussion on interest patronage.

As of September 30, 2021, we were in compliance with all covenants applicable to the above borrowings.

MetLife Facility

As of December 31, 2019, our facility with Metropolitan Life Insurance Company ("MetLife") consisted of a total of $200.0 million of term notes (the "Prior MetLife Term Notes") and $75.0 million of revolving equity lines of credit (the "MetLife Lines of Credit," and together with the Prior MetLife Term Notes, the "Prior MetLife Facility"). The draw period for the Prior MetLife Term Notes expired on December 31, 2019, with approximately $21.5 million being left undrawn, and MetLife had no obligation to disburse the remaining funds under those notes.

On February 20, 2020, we entered into an agreement with MetLife to remove the MetLife Lines of Credit from the Prior MetLife Facility and create a new credit facility consisting of a new $75.0 million long-term note payable (the "New MetLife Term Note") and the MetLife Lines of Credit (collectively, the "New MetLife Facility").

The following table summarizes the pertinent terms of the New MetLife Facility as of September 30, 2021 (dollars in thousands, except for footnotes):

Issuance	**Aggregate Commitment**	**Maturity Dates**	**Principal Outstanding**	**Interest Rate Terms**	**Undrawn Commitment**
New MetLife Term Note	$ 75,000 (1)	1/5/2030	$ 36,900	2.75%, fixed through 1/4/2030 (2)	38,100 (3)
MetLife Lines of Credit	75,000	4/5/2024	100	3-month LIBOR + 2.00% (4)	74,900 (3)
Total principal outstanding			**$ 37,000**		

(1) If the aggregate commitment under the New MetLife Term Note is not fully utilized by December 31, 2022, MetLife has the option to be relieved of its obligation to disburse the additional funds thereunder.

(2) Interest rates on any future disbursements under the New MetLife Term Note will be based on prevailing market rates at the time of such disbursements. In addition, through December 31, 2022, the New MetLife Term Note is also subject to an unused fee ranging from 0.10% to 0.20% on undrawn amounts (based on the balance drawn under the New MetLife Term Note).

(3) Based on the properties that were pledged as collateral under the New MetLife Facility, as of September 30, 2021, the maximum additional amount we could draw under the facility was approximately $24.2 million.

(4) The interest rate on the MetLife Lines of Credit is subject to a minimum annualized rate of 2.50%, plus an unused fee ranging from 0.10% to 0.20% on undrawn amounts (based on the balance drawn under each line of credit).

Farmer Mac Facility

On December 5, 2014, we, through certain subsidiaries of our Operating Partnership, entered into a bond purchase agreement (the "Bond Purchase Agreement") with Federal Agricultural Mortgage Corporation ("Farmer Mac") and Farmer Mac Mortgage Securities Corporation (the "Bond Purchaser"), for a secured note purchase facility. As subsequently amended, the Bond Purchase Agreement provided for bond issuances up to an aggregate amount of $125.0 million (the "Prior Farmer Mac Facility") through December 11, 2018, after which date the Bond Purchaser had the option to continue buying new bonds issued under the Farmer Mac Facility.

On December 10, 2020, we entered into an amended and restated bond purchase agreement (the "Amended and Restated Bond Purchase Agreement") with Farmer Mac and the Bond Purchaser, increasing the secured note purchase facility to provide for bond issuances up to an aggregate principal amount of $225.0 million (the "New Farmer Mac Facility"). In addition, the Amended and Restated Bond Purchase Agreement extended the date through which we may issue new bonds to May 31, 2023, and the final maturity date for bonds issued under the Farmer Mac Facility to December 31, 2030.

During the nine months ended September 30, 2021, we issued one new bond under the Farmer Mac Facility, the pertinent terms of which are summarized in the following table (dollars in thousands):

Date of Issuance	Amount	Maturity Date	Principal Amortization	Stated Interest Rate	Interest Rate Terms
2/4/2021	$ 2,460	10/31/2028	25.0 years	3.13%	Fixed throughout term

As of September 30, 2021, we had approximately $84.8 million of bonds issued and outstanding under the Farmer Mac Facility.

Farm Credit Notes Payable

From time to time since September 2014, we, through certain subsidiaries of our Operating Partnership, have entered into various loan agreements (collectively, the "Farm Credit Notes Payable") with 13 different Farm Credit associations (collectively, "Farm Credit"). During the nine months ended September 30, 2021, we entered into the following loan agreements with Farm Credit (dollars in thousands):

Issuer	Date of Issuance	Amount	Maturity Date	Principal Amortization	Stated Interest Rate(1)	Interest Rate Terms
Farm Credit West, FLCA(2)	1/28/2021	$2,073	11/1/2045	24.8 years	3.23%	Fixed through 12/31/2027 (variable thereafter)
Mid Atlantic Farm Credit, ACA	3/3/2021	960	6/1/2045	24.4 years	3.80%	Fixed through 1/31/2031 (variable thereafter)
GreenStone Farm Credit Services, FLCA	8/17/2021	7,980	8/1/2046	25.5 years	4.00%	Fixed through 7/31/2031 (variable thereafter)
Golden State Farm Credit, FLCA	9/28/2021	15,960	7/1/2051	30.0 years	3.75%	Fixed through 9/30/2031 (variable thereafter)
Golden State Farm Credit, FLCA	9/28/2021	6,840	7/1/2046	25.0 years	3.75%	Fixed through 9/30/2031 (variable thereafter)

(1) Stated rate is before interest patronage, as described below.

(2) Loan proceeds used to repay a previously-issued loan with an outstanding balance of approximately $ 1.4 million and a stated interest rate of 4.99%.

Interest Patronage

Interest patronage, or refunded interest, on our borrowings from Farm Credit is generally recorded upon receipt and is included within Other income on our Condensed Consolidated Statements of Operations and Comprehensive Income. Receipt of interest patronage typically occurs in the first half of the calendar year following the calendar year in which the respective interest expense is accrued. During the three months ended March 31, 2021, we recorded interest patronage of approximately $2.2 million related to interest accrued on the Farm Credit Notes Payable during the year ended December 31, 2020. In addition, during the three months ended September 30, 2020, we recorded approximately $306,000 of 2020 interest patronage, as certain Farm Credit associations prepaid a portion of the 2020 interest patronage (which related to interest accrued during 2020 but is typically received in 2021). In total, we recorded approximately $2.5 million of 2020 interest patronage related to our Farm

Credit Notes Payable, which resulted in a28.7% reduction (approximately 135 basis points) to the interest rates on such borrowings.

Other Borrowings

During the nine months ended September 30, 2021, we entered into loan agreements with certain other lenders, the terms of which are summarized in the following table (dollars in thousands):

Lender	Date of Issuance	Amount	Maturity Date	Principal Amortization	Stated Interest Rate	Interest Rate Terms
Rabo AgriFinance, LLC[(1)]	3/11/2021	$ 3,780	12/1/2030	25.0 years	3.27%	Fixed throughout term
Rabo AgriFinance, LLC[(1)]	3/11/2021	630	12/1/2022	None (interest only)	2.44%	Fixed throughout term

(1) Loans were issued as variable-rate loans but were subsequently fixed through our entry into interest rate swap agreements with the lender (as counterparty).

Debt Service – Aggregate Maturities

Scheduled principal payments of our aggregate notes and bonds payable as of September 30, 2021, for the succeeding years are as follows (dollars in thousands):

Period		Scheduled Principal Payments
For the remaining three months ending December 31:	2021	$ 2,494
For the fiscal years ending December 31:	2022	52,622
	2023	44,682
	2024	40,828
	2025	37,866
	2026	17,016
	Thereafter	453,949
		$ 649,457

Fair Value

ASC 820, "Fair Value Measurement (Subtopic 820)" ("ASC 820"), provides a definition of fair value that focuses on the exchange (exit) price of an asset or liability in the principal, or most advantageous, market and prioritizes the use of market-based inputs to the valuation. ASC 820-10 establishes a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- *Level 1* — inputs that are based upon quoted prices (unadjusted) for identical assets or liabilities in active markets;
- *Level 2* — inputs are based upon quoted prices for similar assets or liabilities in active or inactive markets or model-based valuation techniques, for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- *Level 3* — inputs are generally unobservable and significant to the fair value measurement. These unobservable inputs are generally supported by little or no market activity and are based upon management's estimates of assumptions that market participants would use in pricing the asset or liability.

As of September 30, 2021, the aggregate fair value of our long-term notes and bonds payable was approximately $644.7 million, as compared to an aggregate carrying value (excluding unamortized related debt issuance costs) of approximately $649.5 million. The fair value of our long-term notes and bonds payable is valued using Level 3 inputs under the hierarchy established by ASC 820-10 and is calculated based on a discounted cash flow analysis, using discount rates based on management's estimates of market interest rates on long-term debt with comparable terms. Further, due to the revolving nature and variable interest rates applicable to the MetLife Lines of Credit, their aggregate fair value as of September 30, 2021, is deemed to approximate their aggregate carrying value of $0.1 million.

Interest Rate Swap Agreements

In order to hedge our exposure to variable interest rates, we have entered into various interest rate swap agreements in connection with certain of our mortgage financings. In accordance with these swap agreements, we will pay our counterparty a fixed interest rate on a quarterly basis and receive payments from our counterparty equal to the respective stipulated floating rates. We have adopted the fair value measurement provision for these financial instruments, and the aggregate fair value of our interest rate swap agreements is recorded in Other assets, net or Other liabilities, net, as appropriate, on our accompanying Condensed Consolidated Balance Sheets. Generally, in the absence of observable market data, we will estimate the fair value of our interest rate swaps using estimates of certain data points, including estimated remaining life, counterparty credit risk, current market yield, and interest rate spreads of similar securities as of the measurement date. As of September 30, 2021, our interest rate swaps were valued using Level 2 inputs.

In addition, we have designated our interest rate swaps as cash flow hedges, and we record changes in the fair values of the interest rate swap agreements to accumulated other comprehensive income on the Condensed Consolidated Balance Sheets. We record changes in fair value on a quarterly basis, using current market valuations at quarter end. The following table summarizes our interest rate swap agreements as of September 30, 2021, and December 31, 2020 (dollars in thousands):

Period	Aggregate Notional Amount	Aggregate Fair Value Asset	Aggregate Fair Value Liability
As of September 30, 2021	$ 61,632	$ —	$ (987)
As of December 31, 2020	14,077	—	(1,500)

The following table summarizes certain balance sheet information regarding our derivative instruments as of September 30, 2021, and December 31, 2020 (dollars in thousands):

Derivative Type	Balance Sheet Location	Derivative Asset (Liability) Fair Value	
		September 30, 2021	December 31, 2020
Derivatives Designated as Hedging Instruments:			
Interest rate swaps	Other liabilities, net	$ (987)	$ (1,500)
Total, net		**$ (987)**	**$ (1,500)**

The following table presents the amount of income (loss) recognized in comprehensive income within our condensed consolidated financial statements for the three and nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Derivative in cash flow hedging relationship:				
Interest rate swaps	$ 357	$ 95	$ 513	$ (1,331)
Total	**$ 357**	**$ 95**	**$ 513**	**$ (1,331)**

NOTE 5. MANDATORILY-REDEEMABLE PREFERRED STOCK

Series A Term Preferred Stock

In August 2016, we completed a public offering of 6.375% Series A Cumulative Term Preferred Stock, par value $0.001 per share (the “Series A Term Preferred Stock”), at a public offering price of $25.00 per share. As a result of this offering (including the underwriters’ exercise of their option to purchase additional shares to cover over-allotments), we issued a total of 1,150,000 shares of the Series A Term Preferred Stock for gross proceeds of approximately $28.8 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $27.6 million.

On February 12, 2021, we redeemed all of our outstanding shares of Series A Term Preferred Stock at a cash redemption price of $25.00 per share plus all accrued and unpaid dividends up to, but excluding, the redemption date. In total, we paid approximately $28.8 million for the redemption of the Series A Term Preferred Stock using proceeds from the offering of our Series D Term Preferred Stock (as defined below). Our Series A Term Preferred Stock was delisted from Nasdaq on the date we redeemed all outstanding shares. In connection with this early redemption, during the three months ended March 31, 2021, we wrote off approximately $127,000 of unamortized issuance costs related to the issuance of the Series A Term Preferred Stock.

On May 7, 2021, we filed Articles Supplementary reclassifying 850,000 shares of authorized but unissued Series A Term Preferred Stock as additional shares of common stock.

Series D Term Preferred Stock

In January 2021, we completed a public offering of 5.00% Series D Cumulative Term Preferred Stock, par value $0.001 per share (the "Series D Term Preferred Stock"), at a public offering price of $25.00 per share. As a result of this offering (including the underwriters' exercise of their option to purchase additional shares to cover over-allotments), we issued a total of 2,415,000 shares of the Series D Term Preferred Stock for gross proceeds of approximately $60.4 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $58.3 million. The Series D Term Preferred Stock is traded under the ticker symbol "LANDM" on Nasdaq.

The shares of the Series D Term Preferred Stock have a mandatory redemption date of January 31, 2026, and are not convertible into our common stock or any other securities. Generally, we are not permitted to redeem shares of the Series D Term Preferred Stock prior to January 31, 2023, except in limited circumstances to preserve our qualification as a REIT. On or after January 31, 2023, we may redeem the shares at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends up to, but excluding, the date of redemption.

We incurred approximately $2.1 million in total offering costs related to this issuance, which have been recorded net of the Series D Term Preferred Stock as presented on the accompanying Condensed Consolidated Balance Sheets and are being amortized over the mandatory redemption period as a component of interest expense on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income. The Series D Term Preferred Stock is recorded as a liability on our accompanying Condensed Consolidated Balance Sheets in accordance with ASC 480, "Distinguishing Liabilities from Equity," which states that mandatorily-redeemable financial instruments should be classified as liabilities. In addition, the related dividend payments are treated similarly to interest expense on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

As of September 30, 2021, the fair value of our Series D Term Preferred Stock was approximately $62.9 million, as compared to the carrying value (exclusive of unamortized offering costs) of approximately $60.4 million. The fair value of our Series D Term Preferred Stock uses Level 1 inputs under the hierarchy established by ASC 820-10 and is calculated based on the closing per-share price on September 30, 2021, of $26.03.

For information on the dividends declared by our Board of Directors and paid by us on the Series D Term Preferred Stock during the three and nine months ended September 30, 2021, see Note 8, "*Equity—Distributions*."

NOTE 6. RELATED-PARTY TRANSACTIONS

Our Adviser and Administrator

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator, which collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. Both our Adviser and Administrator are affiliates of ours, as their parent company is owned and controlled by David Gladstone, our chairman, chief executive officer, and president. In addition, two of our executive officers, Mr. Gladstone and Terry Brubaker (our vice chairman and chief operating officer), serve as directors and executive officers of each of our Adviser and Administrator, and Michael LiCalsi, our general counsel and secretary (who also serves as our Administrator's president, general counsel, and secretary) is also executive vice president of administration of our Adviser.

We have entered into an investment advisory agreement with our Adviser and an administration agreement with our Administrator (the "Administration Agreement"). The advisory agreement with our Adviser that was in effect through June 30, 2021 (the "Prior Advisory Agreement"), was amended and restated effective July 1, 2021 (as amended, the "Current Advisory Agreement," and together with the Prior Advisory Agreement, the "Advisory Agreements"). Each of the Advisory Agreements and the Administration Agreement were approved unanimously by our board of directors, including our independent directors. A summary of the compensation terms for each of the Advisory Agreements and a summary of the Administration Agreement is below.

Advisory Agreements

Pursuant to each of the Prior Advisory Agreement (which was in effect from January 1, 2020, through June 30, 2021) and the Current Advisory Agreement (which has been in effect since July 1, 2021), our Adviser is compensated in the form of a base management fee, an incentive fee, a capital gains fee, and a termination fee. Our Adviser does not charge acquisition or disposition fees when we acquire or dispose of properties, as is common in other externally-managed REITs. Each of the base management, incentive, capital gains, and termination fees is described below.

Base Management Fee

Pursuant to the Prior Advisory Agreement, a base management fee was paid quarterly and was calculated at an annual rate of 0.50% (0.125% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined as the gross cost of tangible real estate owned by us (including land and land improvements, permanent plantings, irrigation and drainage systems, farm-related facilities, and other tangible site improvements), prior to any accumulated depreciation, and as shown on our balance sheet or the notes thereto for the applicable quarter.

Pursuant to the Current Advisory Agreement, a base management fee is paid quarterly and is calculated at an annual rate of 0.60% (0.15% per quarter) of the prior calendar quarter's Gross Tangible Real Estate.

Incentive Fee

Pursuant to each of the Advisory Agreements, an incentive fee is calculated and payable quarterly in arrears if the Pre-Incentive Fee FFO for a particular quarter exceeded a hurdle rate of 1.75% (7.0% annualized) of the prior calendar quarter's Total Adjusted Common Equity.

For purposes of this calculation, Pre-Incentive Fee FFO is defined in the Advisory Agreement as FFO (also as defined in the Advisory Agreement) accrued by the Company during the current calendar quarter (prior to any incentive fee calculation for the current calendar quarter), less any dividends declared on preferred stock securities that were not treated as a liability for GAAP purposes. In addition, Total Adjusted Common Equity is defined as common stockholders' equity plus non-controlling common interests in the Operating Partnership, if any (each as reported on our balance sheet), adjusted to exclude unrealized gains and losses and certain other one-time events and non-cash items.

Our Adviser would receive: (i) no Incentive Fee in any calendar quarter in which the Pre-Incentive Fee FFO did not exceed the hurdle rate; (ii) 100% of the Pre-Incentive Fee FFO with respect to that portion of such Pre-Incentive Fee FFO, if any, that exceeded the hurdle rate but was less than 2.1875% in any calendar quarter (8.75% annualized); and (iii) 20% of the amount of the Pre-Incentive Fee FFO, if any, that exceeded 2.1875% in any calendar quarter (8.75% annualized).

Capital Gains Fee

Pursuant to the Advisory Agreement, a capital gains-based incentive fee will be calculated and payable in arrears at the end of each fiscal year (or upon termination of the Advisory Agreement). The capital gains fee shall equal: (i) 15% of the cumulative aggregate realized capital gains minus the cumulative aggregate realized capital losses, minus (ii) any aggregate capital gains fees paid in prior periods. For purposes of this calculation, realized capital gains and losses will be calculated as (x) the sales price of the property, minus (y) any costs to sell the property and the then-current gross value of the property (which includes the property's original acquisition price plus any subsequent, non-reimbursed capital improvements). At the end of each fiscal year, if this figure is negative, no capital gains fee shall be paid.

Termination Fee

Pursuant to the Advisory Agreement, in the event of our termination of the agreement with our Adviser for any reason (with 120 days' prior written notice and the vote of at least two-thirds of our independent directors), a termination fee would be payable to the Adviser equal to three times the sum of the average annual base management fee and incentive fee earned by the Adviser during the 24-month period prior to such termination.

Administration Agreement

Pursuant to the Administration Agreement, we pay for our allocable portion of the Administrator's expenses incurred while performing its obligations to us, including, but not limited to, rent and the salaries and benefits expenses of our Administrator's employees, including our chief financial officer, treasurer, chief compliance officer, general counsel and secretary (who also serves as our Administrator's president, general counsel, and secretary), and their respective staffs.

As approved by our Board of Directors, effective July 1, 2014, our allocable portion of the Administrator's expenses is generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under similar contractual agreements.

Gladstone Securities

On April 11, 2017, we entered into an agreement with Gladstone Securities, LLC ("Gladstone Securities"), for it to act as our non-exclusive agent to assist us with arranging financing for our properties (the "Financing Arrangement Agreement"). Gladstone Securities is a privately-held broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Gladstone Securities is an affiliate of ours, as its parent company is owned and controlled by Mr. Gladstone, who also serves on the board of managers of Gladstone Securities. In addition, Michael LiCalsi, our General Counsel and Secretary, serves in several capacities for Gladstone Securities, including as Chief Legal Officer, Secretary, and a member of its board of managers since 2010 and a managing principal since 2011.

Financing Arrangement Agreement

We pay Gladstone Securities a financing fee in connection with the services it provides to us for securing financing on our properties. Depending on the size of the financing obtained, the maximum amount of the financing fee, which will be payable upon closing of the respective financing, will range from 0.5% to 1.0% of the amount of financing obtained. The amount of the financing fee may be reduced or eliminated as determined by us and Gladstone Securities after taking into consideration various factors, including, but not limited to, the involvement of any unrelated third-party brokers and general market conditions.

We paid total financing fees to Gladstone Securities of approximately $12,000 and $64,000, during the three and nine months ended September 30, 2021, respectively, and approximately $7,000 and $30,000 during each of the three and nine months ended September 30, 2020. Through September 30, 2021, the total amount of financing fees paid to Gladstone Securities represented approximately 0.14% of the total financings secured since the Financing Arrangement Agreement has been in place.

Dealer-Manager Agreement

On February 20, 2020, we entered into a dealer-manager agreement (the "Dealer-Manager Agreement"), with Gladstone Securities, whereby Gladstone Securities serves as our exclusive dealer-manager in connection with the offering of our Series C Preferred Stock (as defined in Note 8, "*Equity—Equity Issuances—Series C Preferred Stock*").

Pursuant to the Dealer-Manager Agreement, Gladstone Securities provides certain sales, promotional, and marketing services to us in connection with the offering of the Series C Preferred Stock, and we generally pay Gladstone Securities the following:

i selling commissions of up to 6.0% of the gross proceeds from sales in the offering (the "Selling Commissions"), and

ii a dealer-manager fee of 3.0% of the gross proceeds from sales in the offering (the "Dealer-Manager Fees").

No Selling Commissions or Dealer-Manager Fee shall be paid with respect to shares of the Series C Preferred Stock sold pursuant to our dividend reinvestment plan (the "DRIP") for the Series C Preferred Stock. Gladstone Securities may, in its sole discretion, remit all or a portion of the Selling Commissions and also reallow all or a portion of the Dealer-Manager Fees to participating broker-dealers and wholesalers in support of the offerings. The terms of the Dealer-Manager Agreement were approved by our board of directors, including its independent directors.

In connection with sales of the Series C Preferred Stock, we paid total Selling Commissions and Dealer-Manager Fees to Gladstone Securities of approximately $1.2 million and $3.2 million during the three and nine months ended September 30, 2021, respectively, and approximately $598,000 and $885,000 during each of the three and nine months ended September 30, 2020. The majority of these amounts were then remitted by Gladstone Securities to unrelated third parties involved in the respective offerings, including participating broker-dealers and wholesalers. Selling Commissions and Dealer-Manager Fees paid to Gladstone Securities are netted against the gross proceeds received from sales of the respective securities and are included within Additional paid-in capital on the accompanying Condensed Consolidated Balance Sheets.

Related-Party Fees

The following table summarizes related-party fees paid or accrued for and reflected in our accompanying condensed consolidated financial statements (dollars in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Base management fee(1)(2)	$ 1,748	$ 1,078	$ 4,494	$ 3,159
Incentive fee(1)(2)	945	821	2,107	2,155
Total fees to our Adviser, net	**$ 2,693**	**$ 1,899**	**$ 6,601**	**$ 5,314**
Administration fee(1)(2)	**$ 412**	**$ 344**	**$ 1,115**	**$ 1,084**
Selling Commissions and Dealer-Manager Fees(1)(3)(4)	$ 1,213	$ 598	$ 3,165	$ 3,368
Financing fees(1)(5)	12	7	64	30
Total fees to Gladstone Securities	**$ 1,225**	**$ 605**	**$ 3,229**	**$ 3,398**

(1) Pursuant to the agreements with the respective related-party entities, as discussed above.
(2) Reflected as a line item on our accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.
(3) Included within Additional paid-in capital on the accompanying Condensed Consolidated Balance Sheets.

(4) During the three months ended March 31, 2020, in connection with sales of our 6.00% Series B Cumulative Redeemable Preferred Stock, par value $ 0.001 per share (the "Series B Preferred Stock"), we paid total selling commissions and dealer-manager fees to Gladstone Securities of approximately $2.5 million. The offering of the Series B Preferred Stock was completed on March 9, 2020, and the security was listed on Nasdaq under the ticker "LANDO" during the year ended December 31, 2020.
(5) Included within Notes and bonds payable, net on the Condensed Consolidated Balance Sheets and amortized into Interest expense on the Condensed Consolidated Statements of Operations and Comprehensive Income.

Related-Party Fees Due

Amounts due to related parties on our accompanying Condensed Consolidated Balance Sheets as of September 30, 2021, and December 31, 2020, were as follows (dollars in thousands):

	September 30, 2021	December 31, 2020
Base management fee	$ 1,748	$ 1,130
Incentive fee	945	883
Other[1]	76	18
Total due to Adviser	**2,769**	**2,031**
Administration fee	412	363
Cumulative accrued but unpaid portion of prior Administration Fees[2]	—	75
Total due to Administrator	**412**	**438**
Due to Gladstone Securities[3]	**—**	**15**
Total due to related parties[4]	**$ 3,181**	**$ 2,484**

(1) Other amounts due to or from our Adviser primarily relate to miscellaneous general and administrative expenses either paid by our Adviser on our behalf or by us on our Adviser's behalf.
(2) Represents the cumulative accrued but unpaid portion of prior Administration fees that are scheduled to be paid during the three months ending September 30 of each year, which is the quarter following our Administrator's fiscal year end.
(3) Represents certain Selling Commissions and Dealer-Manager Fees owed in connection with recent sales of our Series C Preferred Stock.
(4) Reflected as a line item on our accompanying Condensed Consolidated Balance Sheets.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Operating Obligations

In connection with the execution of certain lease agreements, we have committed to provide capital improvements on certain of our farms, which are summarized in the table below (dollars in thousands):

Farm Location	Farm Acreage	Total Commitment	Obligated Completion Date[1]	Amount Expended or Accrued as of September 30, 2021
Tulare, CA	160	$ 700 [2]	Q4 2021	$ —
Wicomico & Caroline, MD, and Sussex, DE	833	115	Q4 2021	36
Hillsborough, FL	110	400 [2]	Q2 2022	286
Santa Barbara, CA	271	4,000 [2]	Q3 2022	2,427
St. Lucie, FL	549	230	Q3 2022	40
Hillsborough, FL	55	2,250 [2]	Q4 2022	780
Napa, CA	270	1,548 [2]	Q4 2022	—
Columbia, OR	157	1,800 [2]	Q3 2024	1,146
Collier & Hendry, FL	3,612	2,000 [2]	Q2 2025	—

(1) Our obligation to provide capital to fund these improvements does not extend beyond these respective dates.
(2) Pursuant to contractual agreements, we will earn additional rent on the cost of these capital improvements as the funds are disbursed by us.

Ground Lease Obligations

We are obligated as lessee under three ground leases. Future minimum lease payments due under the remaining non-cancelable terms of these leases as of September 30, 2021, is as follows (dollars in thousands):

Period		Future Lease Payments[1]
For the remaining three months ending December 31:	2021	$ 33
For the fiscal years ending December 31:	2022	70
	2023	70
	2024	70
	2025	40
	2026	40
	Thereafter	600
Total undiscounted lease payments		923
Less: imputed interest		(266)
Present value of lease payments		**$ 657**

(1) Certain annual lease payments are set at the beginning of each year to then-current market rates (as determined by the State of Arizona, as lessor). The amounts shown above represent estimated amounts based on the lease rates currently in place.

As a result of these ground leases, we recorded lease expense (included within Property operating expenses on the accompanying Consolidated Statement of Operations and Comprehensive Income) of approximately $22,000 and $58,000 during the three and nine months ended September 30, 2021, respectively, and approximately $12,000 and $35,000 during the three and nine months ended September 30, 2020, respectively.

Litigation

In the ordinary course of business, we may be involved in legal proceedings from time to time. We are not currently subject to any material known or threatened litigation.

NOTE 8. EQUITY

Registration Statement

On March 6, 2020, we filed a universal registration statement on Form S-3 (File No. 333-236943) with the SEC (the "Registration Statement") to replace our prior universal registration statement. The Registration Statement, which was declared effective by the SEC on April 1, 2020, permits us to issue up to an aggregate of $1.0 billion in securities, consisting of common stock, preferred stock, warrants, debt securities, depository shares, subscription rights, and units, including through separate, concurrent offerings of two or more of such securities. Through September 30, 2021, we have issued a total of 2,610,662 shares of Series C Preferred Stock for gross proceeds of approximately $64.8 million, 2,415,000 shares of Series D Term Preferred Stock for gross proceeds of approximately $60.4 million, and 10,409,228 shares of common stock (excluding 288,303 shares of common stock issued in exchange for certain OP Units that were tendered for redemption) for gross proceeds of approximately $191.2 million under the Registration Statement.

Equity Issuances

Series C Preferred Stock

On April 3, 2020, we filed a new prospectus supplement (which superseded and replaced a previously-filed prospectus supplement) with the SEC for a continuous public offering (the "Series C Offering") of up to 26,000,000 shares of our newly-designated 6.00% Series C Cumulative Redeemable Preferred Stock, par value $0.001 per share (the "Series C Preferred Stock"). The Series C Offering permits us to sell up to 20,000,000 shares (the "Primary Series C Offering") of our Series C Preferred Stock on a "reasonable best efforts" basis through Gladstone Securities at an offering price of $25.00 per share and up to 6,000,000 shares of our Series C Preferred Stock pursuant to the DRIP at a price of $22.75 per share.

The following table provides information on sales of our Series C Preferred Stock during the three and nine months ended September 30, 2021 and 2020 (dollars in thousands, except per-share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Number of shares sold[(1)]	578,426	289,494	1,517,446	420,196
Weighted-average offering price per share	$ 24.85	$ 24.82	$ 24.84	$ 24.86
Gross proceeds	$ 14,372	$ 7,184	$ 37,687	$ 10,444
Net proceeds[(2)]	$ 13,159	$ 6,586	$ 34,522	$ 9,559

(1) Excludes shares issued pursuant to the DRIP. During the three and nine months ended September 30, 2021, we issued approximately 2,642 and 4,643 shares, respectively, of the Series C Preferred Stock pursuant to the DRIP.
(2) Net of Selling Commissions, Dealer-Manager Fees, and underwriting discounts.

In addition, during the three and nine months ended September 30, 2021,9,920 shares of Series C Preferred Stock were tendered for optional redemption, which we satisfied with an aggregate cash payment of $248,000.

As of September 30, 2021, excluding Selling Commissions and Dealer-Manager Fees, we have incurred approximately $604,000 of costs related to the Series C Offering, which are initially recorded as deferred offering costs (included within Other assets, net on the accompanying Condensed Consolidated Balance Sheets) and are applied against gross proceeds received from the offering through additional paid-in capital as shares of the Series C Preferred Stock are sold. See Note 6, "*Related-Party Transactions—Gladstone Securities—Dealer-Manager Agreement*," for a discussion of the commissions and fees to be paid to Gladstone Securities in connection with the Series C Offering.

The Series C Offering will terminate on the date (the "Series C Termination Date") that is the earlier of either June 1, 2025 (unless terminated earlier or extended by our Board of Directors), or the date on which all 20,000,000 shares in the Primary Series C Offering are sold. There is currently no public market for shares of the Series C Preferred Stock; however, we intend to apply to list the Series C Preferred Stock on Nasdaq or another national securities exchange within one calendar year after the Series C Termination Date, though there can be no assurance that a listing will be achieved in such timeframe, or at all.

See Note 11, "*Subsequent Events—Equity Activity—Equity Issuances*," for sales of Series C Preferred Stock completed subsequent to September 30, 2021.

Common Stock

At-the-Market Program

On May 12, 2020, we entered into equity distribution agreements with Virtu Americas, LLC, and Ladenburg & Co., Inc., under which we may issue and sell, from time to time and through the current Sales Agents, shares of our common stock having an aggregate offering price of up to $100.0 million (the "ATM Program"). On May 18, 2021, we entered into separate amendments to the existing equity distribution agreements to allow us to sell up to $160.0 million of additional shares of our common stock, expanding the aggregate offering price to up to $260.0 million.

The following table provides information on shares of common stock sold by the Sales Agents under the ATM Program during the three and nine months ended September 30, 2021 and 2020 (dollars in thousands, except per-share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
Number of shares sold	1,565,925	526,016	5,824,970	979,945
Weighted-average offering price per share	$ 23.66	$ 16.13	$ 21.19	$ 14.94
Gross proceeds	$ 37,053	$ 8,483	$ 123,458	$ 14,638
Net proceeds[(1)]	$ 36,682	$ 8,398	$ 122,223	$ 14,491

(1) Net of underwriting commissions.

See Note 11, "*Subsequent Events—Equity Activity—Equity Issuances*," for sales of sales of common stock completed under the ATM Program subsequent to September 30, 2021.

Non-Controlling Interests in Operating Partnership

We consolidate our Operating Partnership, which is a majority-owned partnership. As of September 30, 2021, and December 31, 2020, we owned approximately99.4% and 100.0%, respectively, of the outstanding OP Units. As of September 30, 2021, and December 31, 2020, there were 204,778 and 0 OP Units held by non-controlling OP Unitholders, respectively.

On or after 12 months after becoming a holder of OP Units, each limited partner, other than the Company, has the right, subject to the terms and conditions set forth in the partnership agreement of the Operating Partnership, to require the Operating Partnership to redeem all or a portion of such units in exchange for cash or, at the Company's option, shares of our common stock on a one-for-one basis. The cash redemption per OP Unit would be based on the market price of our common stock at the time of redemption. A limited partner will not be entitled to exercise redemption rights if the delivery of common stock to the redeeming limited partner would breach restrictions on the ownership of common stock imposed under our charter and other limitations thereof.

Regardless of the rights described above, the Operating Partnership will not have an obligation to issue cash to a unitholder upon a redemption request if the Company elects to redeem the OP Units for shares of its common stock. When a non-controlling unitholder redeems OP Units and the Company elects to satisfy that redemption through the issuance of common stock, non-controlling interest in the Operating Partnership is reduced, and stockholders' equity is increased.

During the nine months ended September 30, 2021, we issued204,778 OP Units to noncontrolling OP Unitholders representing an aggregate value of approximately $4.0 million, or $19.42 per OP Unit. During the three and nine months ended September 30, 2020, we issued 144,151 and 288,303 shares of common stock, respectively, to satisfy the request of OP Units that were tendered for optional redemption.

The Operating Partnership is required to make distributions on each OP Unit in the same amount as those paid on each share of the Company's common stock, with the distributions on the OP Units held by the Company being utilized to make distributions to the Company's common stockholders.

Distributions

The per-share distributions to preferred and common stockholders declared by our Board of Directors during the three and nine months ended September 30, 2021 and 2020 are reflected in the table below.

	Three months ended September 30,		Nine months ended September 30,	
Issuance	**2021**	**2020**	**2021**	**2020**
Series A Term Preferred Stock(1)(2)	$ —	$ 0.398438	$ 0.181510	$ 1.195313
Series B Preferred Stock	0.375	0.375	1.125	1.125
Series C Preferred Stock	0.375	0.375	1.125	0.750
Series D Term Preferred Stock(1)(3)	0.312501	—	0.871530	—
Common Stock(4)	0.13530	0.13440	0.40515	0.40245

(1) Dividends are treated similar to interest expense on the accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.
(2) The Series A Term Preferred Stock was redeemed in full on February 12, 2021.
(3) The Series D Term Preferred Stock was issued on January 19, 2021.
(4) The same amounts were paid as distributions on each OP Unit held by non-controlling OP Unitholders.

NOTE 9. LEASE REVENUES

The following table sets forth the components of our lease revenues for the three and nine months ended September 30, 2021 and 2020 (dollars in thousands, except for footnotes):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	**2020**	**2021**	**2020**
Fixed lease payments(1)	$ 17,791	$ 12,838	$ 50,607	$ 37,450
Variable lease payments(2)	1,800	1,151	1,911	4,457
Lease revenues, net(3)	**$ 19,591**	**$ 13,989**	**$ 52,518**	**$ 41,907**

(1) Fixed lease payments include contractual rents under lease agreements with tenants recognized on a straight-line basis over the respective lease terms and includes the amortization of above-market lease values and lease incentives and the accretion of below-market lease values and other deferred revenue.
(2) Variable lease payments include participation rents, which are generally based on a percentage of the gross crop revenues earned on the farm, and reimbursements of certain property operating expenses by tenants. Participation rents are generally recognized when all contingencies have been resolved and when actual results become known or estimable, enabling us to estimate and/or measure our share of such gross revenues. During the three and nine months ended September 30, 2021, we recorded participation rents of approximately $1.8 million during each period and reimbursements of certain property operating expenses by tenants of approximately $0 and $66,000, respectively. During the three and nine months ended September 30, 2020, we recorded participation rents of approximately $1.1 million and $1.2 million, respectively, and reimbursements of certain property operating expenses by tenants of approximately $ 19,000 and $441,000, respectively. In addition, during the nine months ended September 30, 2020, we received a lease termination payment of approximately $3.0 million.
(3) Reflected as a line item on our accompanying Condensed Consolidated Statements of Operations and Comprehensive Income.

NOTE 10. EARNINGS PER SHARE OF COMMON STOCK

The following table sets forth the computation of basic and diluted earnings per common share for the three and nine months ended September 30, 2021 and 2020, computed using the weighted average number of shares outstanding during the respective periods. Earnings figures are presented net of non-controlling interests in the earnings per share calculations. The non-controlling limited partners' outstanding OP Units (which may be redeemed for shares of common stock) have been excluded from the diluted per-share calculation, as there would be no effect on the amounts since the non-controlling OP Unitholders' share of earnings would also be added back to net income or loss.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands, except per-share amounts):	2021	2020	2021	2020
Net loss attributable to common stockholders	$ (1,639)	$ (837)	$ (7,319)	$ (1,981)
Weighted average shares of common stock outstanding – basic and diluted	31,362,423	21,991,291	29,215,628	21,558,859
Loss per common share – basic and diluted	**$ (0.05)**	**$ (0.04)**	**$ (0.25)**	**$ (0.09)**

The weighted-average number of OP Units held by non-controlling OP Unitholders was204,778 and 153,021 for the three and nine months ended September 30, 2021, respectively, and 16,452 and 175,981 for the three and nine months ended September 30, 2020, respectively.

NOTE 11. SUBSEQUENT EVENTS

Portfolio Activity

Acquisition Activity

Subsequent to September 30, 2021, we acquired two new farms, which are summarized in the table below (dollars in thousands, except for footnotes):

Property Name	Property Location	Acquisition Date	Total Acres	No. of Farms	Primary Crop(s) / Use	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs[(1)]	Annualized Straight-line Rent[(2)]
Lerdo Highway (Phase III)[(3)(4)]	Kern, CA	10/8/2021	1,284	1	Conventional & organic almonds, conventional & organic pistachios, and banked water	10.1 years	3 (10 years)	$ 42,959	$ 77	$ 1,981
Raymond Road[(4)]	Madera, CA	10/21/2021	219	1	Almonds	10.0 years	1 (5 years)	3,300	50	183
			1,503	**2**				**$ 46,259**	**$ 127**	**$ 2,164**

(1) Acquisitions will be accounted for as asset acquisitions in accordance with ASC 360. The figures above represent only costs paid or accrued for as of the date of this filing.

(2) Annualized straight-line rent is based on the minimum cash rental payments guaranteed under the applicable leases, as required under GAAP, and excludes contingent rental payments, such as participation rents.

(3) As part of the acquisition of this property, we acquired a contract to purchase 19,670 acre-feet of water stored with SWSD, located in Kern County, California, at a fixed price. We executed this contract on October 11, 2021, at an additional cost of approximately $1.2 million, which is included in the total purchase price for this property in the table above. Rent is not currently being earned on the value attributable to the water.

(4) Lease provides for an annual participation rent component based on the gross crop revenues earned on the farm. The rent figure above represents only the minimum cash guaranteed under the lease.

Financing Activity

Borrowing Activity

Future Borrowings

Subsequent to the quarter ended September 30, 2021, we entered into certain agreements to provide for future financings. The terms of these agreements are summarized in the following table (dollars in thousands):

Issuer	Expected Funding Period	Amount	Stated Interest Rate[(1)]	Interest Rate Terms
Rabo AgriFinance, LLC	Q4 2021	$ 22,620	3.42%	Fixed throughout term[(2)]
Farmer Mac	Q4 2021	1,290	3.32%	Fixed throughout term
American AgCredit	TBD[(3)]	2,990	3.00%	Variable, as determined by lender

(1) Where applicable, stated rate is before interest patronage, as described in Note 4 "*Borrowings—Farm Credit Notes Payable—Interest Patronage*."
(2) Pursuant to an interest rate swap agreement entered into with Rabo AgriFinance, LLC, the loan will bear interest at a fixed rate of 3.42% through November 2030.
(3) A portion of this loan is tied to an ongoing development project and will not be fully available to us until the project is complete. The completion of the development project and the receipt of these loan proceeds are both expected to occur by May 2023.

In connection with securing the above borrowings, Gladstone Securities, an affiliate of ours, earned total financing fees of approximately $43,000.

Equity Activity

The following table provides information on equity sales that have occurred subsequent to September 30, 2021 (dollars in thousands, except per-share amounts):

Type of Issuance	Number of Shares Sold	Weighted Average Offering Price Per Share	Gross Proceeds	Net Proceeds[(1)]
Series C Preferred Stock[(2)]	395,405	$ 24.95	$ 9,866	$ 8,995
Common Stock – ATM Program	2,166,024	23.07	49,970	49,470

(1) Net of Selling Commissions and Dealer-Manager Fees or underwriting discounts and commissions (in each case, as applicable).
(2) Excludes approximately 1,894 shares issued pursuant to the DRIP.

Distributions

On October 12, 2021, our Board of Directors authorized and we declared the following monthly cash distributions to holders of our preferred and common stock:

Issuance	Record Date	Payment Date	Distribution per Share
Series B Preferred Stock:	October 22, 2021	October 29, 2021	$ 0.125
	November 19, 2021	November 30, 2021	0.125
	December 23, 2021	December 31, 2021	0.125
		Total Series B Preferred Stock Distributions:	**$ 0.375**
Series C Preferred Stock:	October 28, 2021	November 5, 2021	$ 0.125
	November 29, 2021	December 6, 2021	0.125
	December 29, 2021	January 5, 2022	0.125
		Total Series C Preferred Stock Distributions:	**$ 0.375**
Series D Term Preferred Stock:	October 22, 2021	October 29, 2021	$ 0.104167
	November 19, 2021	November 30, 2021	0.104167
	December 23, 2021	December 31, 2021	0.104167
		Total Series D Term Preferred Stock Distributions:	**$ 0.312501**
Common Stock[(1)]:	October 22, 2021	October 29, 2021	$ 0.0452
	November 19, 2021	November 30, 2021	0.0452
	December 23, 2021	December 31, 2021	0.0452
		Total Common Stock Distributions:	**$ 0.1356**

(1) The same amounts paid to common stockholders will be paid as distributions on each OP Unit held by non-controlling OP Unitholders as of the above record dates.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All statements contained herein, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may relate to, among other things, future events or our future performance or financial condition. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "believe," "will," "provided," "anticipate," "future," "could," "growth," "plan," "intend," "expect," "should," "would," "if," "seek," "possible," "potential," "likely," or the negative of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our business, financial condition, liquidity, results of operations, funds from operations or prospects to be materially different from any future business, financial condition, liquidity, results of operations, funds from operations or prospects expressed or implied by such forward-looking statements. For further information about these and other factors that could affect our future results, please see the captions titled "Forward-Looking Statements" and "Risk Factors" in this report and our Annual Report on Form 10-K for the year ended December 31, 2020 (the "Form 10-K"). We caution readers not to place undue reliance on any such forward-looking statements, which are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report on Form 10-Q (the "Quarterly Report"), except as required by law.

All references to "we," "our," "us" and the "Company" in this Quarterly Report mean Gladstone Land Corporation and its consolidated subsidiaries, except where it is made clear that the term refers only to Gladstone Land Corporation.

OVERVIEW

General

We are an externally-managed, agricultural real estate investment trust ("REIT") that is engaged in the business of owning and leasing farmland. We are not a grower of crops, nor do we typically farm the properties we own. We currently own 160 farms comprised of 108,301 acres located across 14 states in the U.S. We also own several farm-related facilities, such as cooling facilities, packinghouses, processing facilities, and various storage facilities.

We conduct substantially all of our activities through, and all of our properties are held, directly or indirectly, by, Gladstone Land Limited Partnership (the "Operating Partnership"). Gladstone Land Corporation controls the sole general partner of the Operating Partnership and currently owns, directly or indirectly, approximately 99.4% of the units of limited partnership interest in the Operating Partnership ("OP Units"). In addition, we have elected for Gladstone Land Advisers, Inc. ("Land Advisers"), a wholly-owned subsidiary of ours, to be treated as a taxable REIT subsidiary ("TRS").

Gladstone Management Corporation (our "Adviser") manages our real estate portfolio pursuant to an advisory agreement, and Gladstone Administration, LLC (our "Administrator"), provides administrative services to us pursuant to an administration agreement. Our Adviser and our Administrator collectively employ all of our personnel and directly pay their salaries, benefits, and general expenses.

Portfolio Diversity

Since our initial public offering in January 2013 (the "IPO"), we have expanded our portfolio from 12 farms leased to 7 different, unrelated tenants to a current portfolio of 160 farms leased to 82 different, unrelated third-party tenants who grow over 60 different types of crops on our farms. While our focus remains in farmland suitable for growing fresh produce annual row crops, we have also diversified our portfolio into farmland suitable for other crop types, including permanent crops (e.g., almonds, blueberries, pistachios, and wine grapes) and, to a lesser extent, certain commodity crops (e.g., beans and corn).

The acquisition of additional farms since our IPO has also allowed us to further diversify our portfolio geographically. The following table summarizes the different geographic locations (by state) of our farms owned and with leases in place as of and for the nine months ended September 30, 2021 and 2020 (dollars in thousands):

State	As of and For the nine months ended September 30, 2021						As of and For the nine months ended September 30, 2020					
	Number of Farms	Total Acres	% of Total Acres	Lease Revenue		% of Total Lease Revenue	Number of Farms	Total Acres	% of Total Acres	Lease Revenue		% of Total Lease Revenue
California[1]	60	28,882	27.0%	$	33,687	64.1%	46	17,954	19.4%	$	22,153	52.9%
Florida	25	21,387	20.0%		10,165	19.4%	23	20,770	22.4%		10,006	23.9%
Colorado	12	32,773	30.7%		2,009	3.8%	12	32,773	35.4%		2,501	6.0%
Washington	3	1,384	1.3%		1,781	3.4%	1	746	0.8%		368	0.9%
Arizona	6	6,280	5.9%		1,459	2.8%	6	6,280	6.8%		4,272	10.2%
Nebraska	9	7,782	7.3%		1,191	2.3%	9	7,782	8.4%		1,159	2.7%
Michigan	23	1,892	1.8%		619	1.2%	15	962	1.0%		554	1.3%
Oregon	4	561	0.5%		512	1.0%	3	418	0.5%		395	0.9%
Maryland	6	987	0.9%		354	0.7%	4	759	0.8%		35	0.1%
Texas	1	3,667	3.4%		337	0.6%	1	3,667	4.0%		337	0.8%
South Carolina	3	597	0.6%		183	0.3%	—	—	—%		—	—%
North Carolina	2	310	0.3%		118	0.2%	2	310	0.3%		120	0.3%
Delaware	1	180	0.2%		61	0.1%	1	180	0.2%		7	—%
New Jersey	3	116	0.1%		42	0.1%	—	—	—%		—	—%
TOTALS	**158**	**106,798**	**100.0%**	**$**	**52,518**	**100.0%**	**123**	**92,601**	**100.0%**	**$**	**41,907**	**100.0%**

(1) According to the California Chapter of the American Society of Farm Managers and Rural Appraisers, there are eight distinct growing regions within California; our farms are spread across six of these growing regions.

Leases

General

Most of our leases are on a triple-net basis, an arrangement under which, in addition to rent, the tenant is required to pay the related taxes, insurance costs, maintenance, and other operating costs. Our leases generally have original terms ranging from 3 to 10 years for farms growing row crops and 7 to 15 years for farms growing permanent crops (in each case, often with options to extend the lease further). Rent is generally payable to us in advance on either an annual or semi-annual basis, with such rent typically subject to periodic escalation clauses provided for within the lease. Currently, 121 of our farms are leased on a pure, triple-net basis, 36 farms are leased on a partial-net basis (with us, as landlord, responsible for all or a portion of the related property taxes), and 3 farms are leased on a single-net basis (with us, as landlord, responsible for the related property taxes, as well as certain maintenance, repairs, and insurance costs). Additionally, 40 of our farms are leased under agreements that include a variable rent component, called "participation rents," that are based on the gross revenues earned on the respective farms.

Lease Expirations

Agricultural leases are often shorter term in nature (relative to leases of other types of real estate assets), so in any given year, we may have multiple leases up for extension or renewal. The following table summarizes the lease expirations by year for the farms owned and with leases in place as of September 30, 2021 (dollars in thousands):

Year	Number of Expiring Leases[1]		Expiring Leased Acreage	% of Total Acreage	Lease Revenues for the Nine Months Ended September 30, 2021		% of Total Lease Revenues
2021	4	(2)	10,804	10.1%	$	3,660	7.0%
2022	7	(2)	24,570	23.0%		1,695	3.2%
2023	12		6,442	6.0%		4,514	8.6%
2024	5		6,243	5.9%		1,669	3.2%
2025	10		14,552	13.6%		5,251	10.0%
Thereafter	54		44,187	41.4%		35,650	67.9%
Other[4]	4		—	—%		79	0.1%
Totals	**96**		**106,798**	**100.0%**	**$**	**52,518**	**100.0%**

(1) Certain lease agreements encompass multiple farms.
(2) Includes one lease that was extended subsequent to September 30, 2021 (see " *Recent Developments—Portfolio Activity—Existing Properties—Leasing Activity* " below for a summary of this and other recent leasing activity).

(3) Consists of ancillary leases (e.g., oil, gas, and mineral leases, telecommunications leases, etc.) with varying expirations on certain of our farms.

We currently have three agricultural leases scheduled to expire within the next six months (in California and Colorado). Two of these potential lease expirations are the result of tenant termination options that we currently do not expect the tenants to exercise. Regarding the remaining lease expiration, we are currently in negotiations with the existing tenant on the farm, as well as other potential tenants, and we anticipate being able to renew the lease at its current market rental rate without incurring any downtime on the farm. Overall, we currently anticipate the rental rates on these lease renewals to be relatively flat compared to that of the existing leases. Regarding all upcoming lease expirations, there can be no assurance that we will be able to renew the existing leases or execute new leases at rental rates favorable to us, if at all, or be able to find replacement tenants, if necessary.

Recent Developments

Portfolio Activity

Property Acquisitions

Since July 1, 2021, through the date of this filing, we have acquired seven farms, which are summarized in the table below (dollars in thousands, except for footnotes):

Property Name	Property Location	Acquisition Date	Total Acreage	No. of Farms	Primary Crop(s) / Use	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs[1]	Annualized Straight-line Rent[2]
Maricopa Highway	Kern, CA	8/11/2021	277	1	Organic blueberries	14.9 years	3 (5 years)	$ 30,000	$ 63	$ 2,262
Wallace Road	Yamhill, OR	8/11/2021	143	1	Organic blueberries	10.1 years	3 (5 years)	12,320	39	768
West Orange	St. Lucie, FL	8/18/2021	617	2	Lemons and oranges	12.0 years	None	5,241	180	367
Lerdo Highway (Phase II)[3][4]	Kern, CA	8/20/2021	479	1	Conventional & organic almonds and banked water	10.2 years	3 (10 years)	14,772	53	735
Lerdo Highway (Phase III)[3][5]	Kern, CA	10/8/2021	1,284	1	Conventional & organic almonds, conventional & organic pistachios, and banked water	10.1 years	3 (10 years)	42,959	77	1,981
Raymond Road[3]	Madera, CA	10/21/2021	219	1	Almonds	10.4 years	1 (5 years)	3,300	50	183
			3,019	**7**				**$ 108,592**	**$ 462**	**$ 6,296**

(1) Includes approximately $20,000 of aggregate external legal fees associated with negotiating and originating the leases associated with these acquisitions, which were expensed in the period incurred.
(2) Based on the minimum cash rental payments guaranteed under the respective leases, as required under GAAP, and excludes contingent rental payments, such as participation rents.
(3) Lease provides for an annual participation rent component based on the gross crop revenues earned on the farm. The rent figure above represents only the minimum cash guaranteed under the lease.
(4) As part of the acquisition of this property, we acquired a contract to purchase 5,000 acre-feet of water stored with Semitropic Water Storage District, located in Kern County, California, at a fixed price. We executed this contract on June 25, 2021, at an additional cost of approximately $306,000, which is included in the total purchase price for this property in the table above. Rent is not currently being earned on the value attributable to the water. See Note 3, "*Real Estate and Intangible Assets—Investments in Water Assets* ," within the accompanying notes to our condensed consolidated financial statements for additional information on this water.
(5) As part of the acquisition of this property, we acquired a contract to purchase 19,670 acre-feet of water stored with Semitropic Water Storage District, located in Kern County, California, at a fixed price. We executed this contract on October 11, 2021, at an additional cost of approximately $1.2 million, which is included in the total purchase price for this property in the table above. Rent is not currently being earned on the value attributable to the water. See Note 3, "*Real Estate and Intangible Assets—Investments in Water Assets* ," within the accompanying notes to our condensed consolidated financial statements for additional information on this water.

Existing Properties

Leasing Activity

The following table summarizes certain leasing activity that has occurred on our existing properties since July 1, 2021, through the date of this filing (dollars in thousands, except for footnotes):

			PRIOR LEASES[1]			NEW LEASES[2]			
Farm Locations	**Number of Leases**	**Total Farm Acres**	**Total Annualized Straight-line Rent[3]**	**# of Leases with Participation Rents**	**Lease Structures (# of NNN / NN / N)[4]**	**Total Annualized Straight-line Rent[3]**	**Wtd. Avg. Term (Years)**	**# of Leases with Participation Rents**	**Lease Structures (# of NNN / NN / N)[4]**
CA, CO, FL, & MI	10	2,978	$ 3,026	2	7 / 3 / 0	$ 3,295	6.3	0	8 / 2 / 0

(1) Prior leases includes one lease that was terminated early in July 2021. In connection with this early termination, during the nine months ended September 30, 2021, we wrote off aggregate deferred rent and rent receivable balances of approximately $43,000 against lease revenue. Upon termination of this lease, we entered into a new lease with a new tenant, effective immediately, which is included in the above table.

(2) In connection with certain of these leases, we committed to provide capital for certain improvements on these farms. See Note 7, "*Commitments and Contingencies—Operating Obligations*," within the accompanying notes to our condensed consolidated financial statements for additional information on these and other commitments.
(3) Based on the minimum cash rental payments guaranteed under the applicable leases (presented on an annualized basis), as required under GAAP, and excludes contingent rental payments, such as participation rents.
(4) "NNN" refers to leases under triple-net lease arrangements, "NN" refers to leases under partial-net lease arrangements, and "N" refers to leases under single-net lease arrangements, in each case, as described above under "*Leases—General*."

Financing Activity

Debt Activity

From July 1, 2021, through the date of this filing, we entered into the following loan agreements with Farm Credit (dollars in thousands):

Issuer	Date of Issuance	Amount	Maturity Date	Principal Amortization	Stated Interest Rate	Expected Effective Interest Rate[(1)]	Interest Rate Terms
GreenStone Farm Credit Services, FLCA	8/17/2021	$ 7,980	8/1/2046	25.5 years	4.00%	2.74%	Fixed through 7/31/2031 (variable thereafter)
Golden State Farm Credit, FLCA	9/28/2021	15,960	7/1/2051	30.0 years	3.75%	2.75%	Fixed through 9/30/2031 (variable thereafter)
Golden State Farm Credit, FLCA	9/28/2021	6,840	7/1/2046	25.0 years	3.75%	2.75%	Fixed through 9/30/2031 (variable thereafter)

(1) On borrowings from the various Farm Credit associations, we receive interest patronage, or refunded interest, which is typically received in the calendar year following the year in which the related interest expense was accrued. The expected effective interest rates reflected in the table above are the interest rates net of expected interest patronage, which is based on either historical patronage actually received (for pre-existing lenders whom we have received interest patronage from) or indications from the respective lenders of estimated patronage to be paid (for new lenders). See Note 4, "*Borrowings—Farm Credit Notes Payable—Interest Patronage*," in the accompanying notes to our consolidated financial statements for additional information on interest patronage.

In connection with securing the above borrowings, Gladstone Securities, an affiliate of ours, earned total financing fees of $47,000.

Equity Activity

Series C Preferred Stock

On April 3, 2020, we filed a prospectus supplement (which superseded and replaced a previously-filed prospectus supplement) with the SEC for a continuous public offering (the "Series C Offering") of up to 26,000,000 shares of our newly-designated 6.00% Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock"). Under the Series C Offering, we may sell up to 20,000,000 shares of our Series C Preferred Stock on a "reasonable best efforts" basis through Gladstone Securities at an offering price of $25.00 per share (the "Primary Series C Offering") and up to 6,000,000 additional shares of our Series C Preferred Stock pursuant to our dividend reinvestment plan (the "DRIP") to those holders of the Series C Preferred Stock who do not elect to opt-out of such plan.

See Note 6, "*Related-Party Transactions—Gladstone Securities—Dealer-Manager Agreement*," within the accompanying notes to our condensed consolidated financial statements for more details on the dealer-manager agreement entered into with Gladstone Securities in connection with the Series C Offering.

The following table summarizes the sales of our Series C Preferred Stock that occurred since July 1, 2021, through the date of this filing (dollars in thousands, except per-share amounts and footnotes):

Number of Shares Sold[(1)]	Weighted-average Sales Price per Share	Gross Proceeds	Net Proceeds[(2)]
973,831	$ 24.89	$ 24,238	$ 22,155

(1) Excludes share redemptions and shares issued pursuant to the DRIP. From July 1, 2021, through the date of this filing, we issued approximately 4,536 shares of the Series C Preferred Stock pursuant to the DRIP.
(2) Net of underwriting discounts and selling commissions and dealer-manager fees borne by us. Aggregate selling commissions and dealer-manager fees paid to Gladstone Securities as a result of these sales was approximately $2.1 million.

The Primary Series C Offering will terminate on the date (the "Series C Termination Date") that is the earlier of either June 1, 2025 (unless terminated earlier or extended by our Board of Directors), or the date on which all 20,000,000 shares in the Primary Series C Offering are sold. There is currently no public market for shares of the Series C Preferred Stock; however, we intend to apply to list the Series C Preferred Stock on Nasdaq or another national securities exchange within one calendar year after the Series C Termination Date, though there can be no assurance that a listing will be achieved in such timeframe, or at all.

Common Stock—At-the-Market Program

On May 12, 2020, we entered into new equity distribution agreements with Virtu Americas, LLC, and Ladenburg & Co., Inc. (each a "Sales Agent"), under which we may issue and sell, from time to time and through new Sales Agents, shares of our common stock having an aggregate offering price of up to $100.0 million (the "ATM Program"). On May 18, 2021, we entered into separate amendments to the existing equity distribution agreements to allow us to sell up to $160.0 million of additional shares of our common stock, expanding the aggregate offering price to up to $260.0 million.

The following table summarizes the activity under the ATM Program from July 1, 2021, through the date of this filing (dollars in thousands):

Number of Shares Sold	Weighted-average Offering Price per Share	Gross Proceeds	Net Proceeds[(1)]
3,731,949	$ 23.32	$ 87,023	$ 86,152

(1) Net of underwriter commissions.

COVID-19

While we have not been materially adversely impacted by the novel coronavirus ("COVID-19") to date, the extent to which the ongoing COVID-19 pandemic may, in the future, impact our business, financial condition, liquidity, results of operations, funds from operations, or prospects will depend on numerous evolving factors that we are not able to predict at this time, including the duration and long-term scope of the pandemic, the spread and effect of COVID-19 variants; the adequate production, efficacy, and dissemination of vaccinations; governmental, business, and individuals' actions that have been and continue to be taken in response to the pandemic; the impact on economic activity from the pandemic, including due constraints on global supply chains, and actions taken in response; increased unemployment and underemployment levels and labor shortages in some industries; the effect on our tenants and their farming operations; the ability of our tenants to make their rental payments; any disruptions of our tenants' operations; and our ability to secure debt financing, service future debt obligations, or pay distributions to our stockholders. Any of these events could materially adversely impact our business, financial condition, liquidity, results of operations, funds from operations, or prospects.

LIBOR Transition

The majority of our debt is at fixed rates, and we currently have very limited exposure to variable-rate debt based upon the London Interbank Offered Rate ("LIBOR"), which is currently anticipated to be partially phased out by the end of 2021 and completely phased out by June 2023. LIBOR is currently expected to transition to a new standard rate, the Secured Overnight Financing Rate ("SOFR"), which will incorporate certain overnight repo market data collected from multiple data sets. SOFR was formally adopted by the Alternative Reference Rates Committee in July 2021. The current intent is to adjust the SOFR to minimize the differences between the interest that a borrower would be paying using LIBOR versus what it will be paying SOFR. We are currently monitoring the transition and cannot yet assess whether SOFR will become the standard rate for all of our variable-rate debt. Our lines of credit with Metropolitan Life Insurance Company ("MetLife") and five term loans with Rabo AgriFinance, LLC, (which are effectively fixed through our entry into interest swap agreements) are currently based upon one-month LIBOR. As such, we expect we will need to renegotiate these agreements in the future. Assuming that SOFR replaces LIBOR and is appropriately adjusted, we currently expect the transition to result in a minimal impact to our overall operations.

Our Adviser and Administrator

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator (both affiliates of ours), which collectively employ all of our personnel and pay their salaries, benefits, and general expenses directly. The investment advisory agreement with our Adviser that was in effect through June 30, 2021 (the "Prior Advisory Agreement"), was amended and restated effective July 1, 2021 (as amended, the "Current Advisory Agreement," and together with the Prior Advisory Agreement, the "Advisory Agreements"). The Current Advisory Agreement revised the calculation of the base management fee beginning with the three months ended September 30, 2021, while all other terms of the Prior Advisory Agreement remained the same. Each of the Advisory Agreements and the current administration agreement with our Administrator (the "Administration Agreement") were approved unanimously by our board of directors, including, specifically, our independent directors.

A summary of certain compensation terms within the Advisory Agreements and a summary of the Administration Agreement is below.

Advisory Agreements

Pursuant to each of the Advisory Agreements, our Adviser is compensated in the form of a base management fee, an incentive fee, a capital gains fee, and a termination fee. Our Adviser does not charge acquisition or disposition fees when we acquire or dispose of properties, as is common in other externally-managed REITs. The base management and incentive fees are described below. For information on the capital gains and termination fees, refer to Note 6, "*Related-Party Transactions—Our Adviser and Administrator—Advisory Agreements*," within the accompanying notes to our condensed consolidated financial statements.

Base Management Fee

Pursuant to the Prior Advisory Agreement, through June 30, 2021, a base management fee was paid quarterly and was calculated at an annual rate of 0.50% (0.125% per quarter) of the prior calendar quarter's "Gross Tangible Real Estate," defined as the gross cost of tangible real estate owned by us (including land and land improvements, permanent plantings, irrigation and drainage systems, farm-related facilities, and other tangible site improvements), prior to any accumulated depreciation, and as shown on our balance sheet or the notes thereto for the applicable quarter.

Pursuant to the Current Advisory Agreement, beginning with the three months ended September 30, 2021, a base management fee is paid quarterly and is calculated at an annual rate of 0.60% (0.15% per quarter) of the prior calendar quarter's Gross Tangible Real Estate.

Incentive Fee

Pursuant to each of the Advisory Agreements, an incentive fee is calculated and payable quarterly in arrears if the Pre-Incentive Fee FFO for a particular quarter exceeded a hurdle rate of 1.75% (7.0% annualized) of the prior calendar quarter's Total Adjusted Common Equity.

For purposes of this calculation, Pre-Incentive Fee FFO is defined in the Advisory Agreement as FFO (also as defined in the Advisory Agreement) accrued by the Company during the current calendar quarter (prior to any incentive fee calculation for the current calendar quarter), less any dividends declared on preferred stock securities that were not treated as a liability for GAAP purposes. In addition, Total Adjusted Common Equity is defined as common stockholders' equity plus non-controlling common interests in our Operating Partnership, if any (each as reported on our balance sheet), adjusted to exclude unrealized gains and losses and certain other one-time events and non-cash items.

Our Adviser would receive: (i) no Incentive Fee in any calendar quarter in which the Pre-Incentive Fee FFO did not exceed the hurdle rate; (ii) 100% of the Pre-Incentive Fee FFO with respect to that portion of such Pre-Incentive Fee FFO, if any, that exceeded the hurdle rate but was less than 2.1875% in any calendar quarter (8.75% annualized); and (iii) 20% of the amount of the Pre-Incentive Fee FFO, if any, that exceeds 2.1875% in any calendar quarter (8.75% annualized).

Administration Agreement

Pursuant to the Administration Agreement, we pay for our allocable portion of the Administrator's expenses incurred while performing its obligations to us, including, but not limited to, rent and the salaries and benefits expenses of our Administrator's employees, including our chief financial officer, treasurer, chief compliance officer, general counsel and secretary (who also serves as our Administrator's president, general counsel, and secretary), and their respective staffs. Our allocable portion of the Administrator's expenses is generally derived by multiplying our Administrator's total expenses by the approximate percentage of time the Administrator's employees perform services for us in relation to their time spent performing services for all companies serviced by our Administrator under similar contractual agreements.

Smaller Reporting Company Status

As of December 31, 2018, and through September 30, 2021, we qualified as a "smaller reporting company" under Rule 12b-2 of the Exchange Act because we had annual revenues of less than $100 million for the previous year and a public float of less than $700 million. As a smaller reporting company, we have reduced disclosure requirements for our public filings, including the reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

Critical Accounting Policies

The preparation of our financial statements in accordance with U.S. generally accepted accounting principles ("GAAP") requires management to make judgments that are subjective in nature to make certain estimates and assumptions. Application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties, and, as a result, actual results could materially differ from these estimates. A summary of our significant accounting policies is provided in Note 2 to our consolidated financial statements in our Form 10-K. There were no material changes to our critical accounting policies during the nine months ended September 30, 2021.

RESULTS OF OPERATIONS

For the purposes of the following discussions on certain operating revenues and expenses:

- With regard to the comparison between the three months ended September 30, 2021 versus 2020:
  - Same-property basis represents farms owned as of June 30, 2020, and were not vacant at any point during either period presented; and
  - Properties acquired or disposed of are farms that were either acquired or disposed of at any point subsequent to June 30, 2020. From July 1, 2020, through September 30, 2021, we acquired 43 new farms and did not have any farm dispositions.
- With regard to the comparison between the nine months ended September 30, 2021 versus 2020:
  - Same-property basis represents farms owned as of December 31, 2019, and were not vacant at any point during either period presented; and
  - Properties acquired or disposed of are farms that were either acquired or disposed of at any point subsequent to December 31, 2019. From January 1, 2020, through September 30, 2021, we acquired 47 new farms and did not have any farm dispositions.

We did not have any vacant or self-operated farms during either of the three and nine months ended September 30, 2021 or 2020.

A comparison of results of components comprising our operating income for the three and nine months ended September 30, 2021 and 2020 is below (dollars in thousands):

	For the Three Months Ended September 30,			
	2021	2020	$ Change	% Change
Operating revenues:				
Lease revenues:				
Fixed lease payments	$ 17,791	$ 12,838	$ 4,953	38.6%
Variable lease payments – participation rents	1,800	1,132	668	59.0%
Variable lease payments – tenant reimbursements	—	19	(19)	(100.0)%
Total operating revenues	19,591	13,989	5,602	40.0%
Operating expenses:				
Depreciation and amortization	6,944	3,909	3,035	77.6%
Property operating expenses	696	287	409	142.5%
Base management and incentive fees	2,693	1,899	794	41.8%
Administration fee	412	344	68	19.8%
General and administrative expenses	462	419	43	10.3%
Total operating expenses	11,207	6,858	4,349	63.4%
Operating income	**$ 8,384**	**$ 7,131**	**$ 1,253**	**17.6%**

	For the Nine Months Ended September 30, 2021	2020	$ Change	% Change
Operating revenues:				
Lease revenues:				
Fixed lease payments	$ 50,607	$ 37,450	$ 13,157	35.1%
Variable lease payments – participation rents	1,845	1,206	639	53.0%
Variable lease payments – tenant reimbursements	66	441	(375)	(85.0)%
Lease termination income, net	—	2,810	(2,810)	NM
Total operating revenues	52,518	41,907	10,611	25.3%
Operating expenses:				
Depreciation and amortization	19,280	12,010	7,270	60.5%
Property operating expenses	2,031	1,525	506	33.2%
Base management and incentive fees	6,601	5,314	1,287	24.2%
Administration fee	1,115	1,084	31	2.9%
General and administrative expenses	1,582	1,462	120	8.2%
Total operating expenses	30,609	21,395	9,214	43.1%
Operating income	**$ 21,909**	**$ 20,512**	**$ 1,397**	**6.8%**

NM = Not Meaningful

Operating Revenues

Lease Revenues

The following table provides a summary of our lease revenues during the three and nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Three Months Ended September 30, 2021	2020	$ Change	% Change	For the Nine Months Ended September 30, 2021	2020	$ Change	% Change
Same-property basis:								
Fixed lease payments	$ 12,598	$ 12,661	$ (63)	(0.5)%	$ 36,655	$ 36,642	$ 13	—%
Participation rents	1,800	1,132	668	59.0%	1,845	1,206	639	53.0%
Lease termination income, net	—	—	—	—%	—	2,810	(2,810)	(100.0)%
Total – Same-property basis	14,398	13,793	605	4.4%	38,500	40,658	(2,158)	(5.3)%
Properties acquired or disposed of	5,193	177	5,016	2,833.9%	13,952	808	13,144	1,626.7%
Tenant reimbursements[1]	—	19	(19)	(100.0)%	66	441	(375)	(85.0)%
Total Lease revenues	**$ 19,591**	**$ 13,989**	**$ 5,602**	**40.0%**	**$ 52,518**	**$ 41,907**	**$ 10,611**	**25.3%**

(1) Tenant reimbursements generally represent tenant-reimbursed property operating expenses on certain of our farms, including property taxes, insurance premiums, and other property-related expenses. Corresponding amounts were also recorded as property operating expenses during the respective periods.

Same-property Basis – 2021 compared to 2020

Lease revenues from fixed lease payments decreased by approximately $63,000 during the three months ended September 30, 2021, primarily due to certain lease renewals and amendments executed, in which we decreased the fixed base rent component in exchange for adding a participation rent component to the lease structure. Lease revenues from fixed lease payments increased slightly during the nine months ended September 30, 2021, primarily due to additional rents earned on capital improvements completed on certain of our farms, largely offset by certain lease renewals and amendments executed, in which we decreased the fixed base rent component in exchange for adding a participation rent component to the lease structure. Participation rents related to these leases, if any, are expected to be recorded during the three months ending December 31, 2021.

Lease revenues from participation rents increased for each of the three and nine months ended September 30, 2021, primarily due to more farms having scheduled participation rent payments due during 2021 compared to 2020.

During the nine months ended September 30, 2020, we received an early lease termination payment of approximately $3.0 million from an outgoing tenant on a property, which we recognized as additional lease revenue upon receipt, less a net balance of approximately $165,000 of aggregate prepaid rent and deferred rent assets balances that were written off against this amount.

Other – 2021 compared to 2020

Lease revenue from properties acquired or disposed of increased for each of the three and nine months ended September 30, 2021, primarily due to additional revenues earned on new farms acquired subsequent to December 31, 2019.

Tenant reimbursements decreased for each of the three and nine months ended September 30, 2021, primarily due to additional payments made during the prior-year periods by certain tenants on our behalf (pursuant to the lease agreements) to an unconsolidated entity of ours that conveys water to the respective properties.

Operating Expenses

Depreciation and Amortization

The following table provides a summary of the depreciation and amortization expense recorded during the three and nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
Same-property basis	$ 3,740	$ 3,832	$ (92)	(2.4)%	$ 11,296	$ 11,879	$ (583)	(4.9)%
Properties acquired or disposed of	3,204	77	3,127	4,061.0%	7,984	131	7,853	5,994.7%
Total depreciation and amortization	**$ 6,944**	**$ 3,909**	**$ 3,035**	**77.6%**	**$ 19,280**	**$ 12,010**	**$ 7,270**	**60.5%**

Depreciation and amortization expense on a same-property basis decreased for each of the three and nine months ended September 30, 2021, as compared to the respective prior-year periods, primarily due to the expiration of certain lease intangible amortization periods subsequent to December 31, 2019, partially offset by an increase in depreciation associated with additional capital expenditure on certain of our farms. Depreciation and amortization expense on properties acquired or disposed of increased for each of the three and nine months ended September 30, 2021, as compared to the same respective prior-year periods, primarily due to the additional depreciation and amortization expense incurred on the new farms acquired subsequent to December 31, 2019.

Property-operating Expenses

Property operating expenses consist primarily of real estate taxes, repair and maintenance expense, insurance premiums, and other miscellaneous operating expenses paid for certain of our properties. The following table provides a summary of the property-operating expenses recorded during the three and nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
Same-property basis	$ 632	$ 244	$ 388	159.0%	$ 1,776	$ 1,043	$ 733	70.3%
Properties acquired or disposed of	64	24	40	166.7%	189	41	148	361.0%
Tenant-reimbursed property operating expenses[(1)]	—	19	(19)	(100.0)%	66	441	(375)	(85.0)%
Total Property operating expenses	**$ 696**	**$ 287**	**$ 409**	**142.5%**	**$ 2,031**	**$ 1,525**	**$ 506**	**33.2%**

(1) Represents certain operating expenses (property taxes, insurance premiums, and other property-related expenses) paid by us that, per the respective leases, are required to be reimbursed to us by the tenant. Corresponding amounts were also recorded as lease revenues during the respective periods.

Same-property Basis – 2021 compared to 2020

Property-operating expenses increased for each of the three and nine months ended September 30, 2021, primarily due to an increase in our obligation to reimburse one of our tenants for water usage over a specific cost threshold in accordance with the lease. We currently anticipate incurring similar costs for water usage on this particular farm throughout the remainder of 2021 but do not currently expect such elevated costs to continue beyond 2021.

Other – 2021 compared to 2020

Property operating expenses on properties acquired or disposed of increased for each of the three and nine months ended September 30, 2021, primarily due to additional miscellaneous property-operating expenses incurred on certain of the new farms we acquired subsequent to December 31, 2019.

Tenant reimbursement expense decreased for each of the three and nine months ended September 30, 2021, primarily due to a decrease in miscellaneous property-operating costs incurred by us in connection with our ownership interest in an unconsolidated entity. Our tenants are contractually obligated to reimburse us for these costs under the terms of the respective leases.

Related-Party Fees

The following tables provide the calculations of the base management and incentive fees due to our Adviser pursuant to the Prior Advisory Agreement (which was in effect from January 1, 2020 through June 30, 2021) and the Current Advisory Agreement (which has been in effect since July 1, 2021) for each of the three and nine months ended September 30, 2021 and 2020 (dollars in thousands; for further discussion on certain defined terms used below, refer to Note 6, "*Related-Party Transactions*," within the accompanying notes to our condensed consolidated financial statements):

	Quarters Ended			
	March 31	June 30	September 30	Year to Date
FY 2021 Fee Calculations:				
Base Management Fee:				
Gross Tangible Real Estate[(1)(2)]	$ 1,095,439	$ 1,101,071	$ 1,165,366	
Quarterly rate	0.125 %	0.125 %	0.150 %	
Base management fee[(3)]	**$ 1,370**	**$ 1,376**	**$ 1,748**	**$ 4,494**
Incentive Fee:				
Total Adjusted Common Equity[(1)(2)]	$ 228,161	$ 248,501	$ 304,164	
First hurdle quarterly rate	1.750 %	1.750 %	1.750 %	
First hurdle threshold	$ 3,993	$ 4,349	$ 5,323	
Second hurdle quarterly rate	2.1875 %	2.1875 %	2.1875 %	
Second hurdle threshold	$ 4,991	$ 5,436	$ 6,654	
Pre-Incentive Fee FFO[(1)]	$ 5,810	$ 3,867	$ 6,268	
100% of Pre-Incentive Fee FFO in excess of first hurdle threshold, up to second hurdle threshold	$ 998	$ —	$ 945	
20% of Pre-Incentive Fee FFO in excess of second hurdle threshold	164	—	—	
Total Incentive fee[(3)]	**$ 1,162**	**$ —**	**$ 945**	**$ 2,107**
Total fees due to Adviser, net	**$ 2,532**	**$ 1,376**	**$ 2,693**	**$ 6,601**
FY 2020 Fee Calculations:				
Base Management Fee:				
Gross Tangible Real Estate[(1)(2)]	$ 827,256	$ 837,603	$ 862,329	
Quarterly rate	0.125 %	0.125 %	0.125 %	
Base management fee[(3)]	**$ 1,034**	**$ 1,047**	**$ 1,078**	**$ 3,159**
Incentive Fee:				
Total Adjusted Common Equity[(1)(2)]	$ 173,358	$ 176,768	$ 172,490	
First hurdle quarterly rate	1.750 %	1.750 %	1.750 %	
First hurdle threshold	$ 3,034	$ 3,093	$ 3,019	
Second hurdle quarterly rate	2.1875 %	2.1875 %	2.1875 %	
Second hurdle threshold	$ 3,792	$ 3,867	$ 3,773	
Pre-Incentive Fee FFO[(1)]	$ 6,670	$ 2,334	$ 4,106	
100% of Pre-Incentive Fee FFO in excess of first hurdle threshold, up to second hurdle threshold	$ 758	$ —	$ 754	
20% of Pre-Incentive Fee FFO in excess of second hurdle threshold	576	—	67	
Total Incentive fee[(3)]	**$ 1,334**	**$ —**	**$ 821**	**$ 2,155**
Total fees due to Adviser, net	**$ 2,368**	**$ 1,047**	**$ 1,899**	**$ 5,314**

(1) As defined in the Advisory Agreements.
(2) As of the end of the respective prior quarters.
(3) Reflected as a line item on our accompanying Consolidated Statements of Operations and Comprehensive Income.

The base management fee increased during each of the three and nine months ended September 30, 2021, as compared to each of the respective prior-year periods, primarily due to additional assets acquired since December 31, 2019 and an increase in the annual rate applied to the prior calendar quarter's Gross Tangible Real Estate Assets (from 0.50% pursuant to the Prior Advisory Agreement to 0.60% pursuant to the Current Advisory Agreement), effective July 1, 2021.

Our Adviser earned incentive fees during each of the three and nine months ended September 30, 2021 and 2020 due to our Pre-Incentive Fee FFO (as defined in the Advisory Agreements) exceeding the required hurdle rate of the applicable equity base during each of the first and third quarters of fiscal years 2021 and 2020.

The administration fee paid to our Administrator increased for each of the three and nine months ended September 30, 2021, as compared to the respective prior-year periods, primarily due to hiring additional personnel and us using a higher overall share of our Administrator's resources in relation to those used by other funds and affiliated companies serviced by our Administrator.

Other Operating Expenses

General and administrative expenses consist primarily of professional fees, director fees, stockholder-related expenses, overhead insurance, acquisition-related costs for investments no longer being pursued, and other miscellaneous expenses. General and administrative expenses increased for each of the three and nine months ended September 30, 2021, as compared to the respective prior-year periods, primarily due to increased stockholder-related expenses related to the annual stockholders' meeting and higher professional fees related to additional appraisal costs.

A comparison of results of other components contributing to net loss attributable to common stockholders for the three and nine months ended September 30, 2021 and 2020 is below (dollars in thousands):

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	$ Change	% Change
Operating income	$ 8,384	$ 7,131	$ 1,253	17.6%
Other income (expense):				
Other income	20	323	(303)	(93.8)%
Interest expense	(6,126)	(5,202)	(924)	17.8%
Aggregate dividends declared on Series A and Series D Term Preferred Stock	(755)	(458)	(297)	64.8%
Loss on dispositions of real estate assets, net	(1)	(195)	194	(99.5)%
Property and casualty recovery, net	—	1	(1)	—%
Loss from investments in unconsolidated entities	(19)	(19)	—	—%
Total other expense, net	(6,881)	(5,550)	(1,331)	24.0%
Net income	**1,503**	**1,581**	**(78)**	**(4.9)%**
Net income attributable to non-controlling interests	(8)	(13)	5	(38.5)%
Net income attributable to the Company	1,495	1,568	(73)	(4.7)%
Aggregate dividends declared on Series B and Series C Preferred Stock	(3,134)	(2,405)	(729)	30.3%
Net loss attributable to common stockholders	**$ (1,639)**	**$ (837)**	**$ (802)**	**95.8%**

	For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Operating income	$ 21,909	$ 20,512	$ 1,397	6.8%
Other income (expense):				
Other income	2,274	1,668	606	36.3%
Interest expense	(18,460)	(15,155)	(3,305)	21.8%
Aggregate dividends declared on Series A and Series D Term Preferred Stock	(2,314)	(1,375)	(939)	68.3%
Loss on dispositions of real estate assets, net	(1,841)	(861)	(980)	113.8%
Property and casualty recovery, net	—	68	(68)	(100.0)%
(Loss) income from investments in unconsolidated entities	(42)	7	(49)	NM
Total other expense, net	(20,383)	(15,648)	(4,735)	30.3%
Net income	**1,526**	**4,864**	**(3,338)**	**(68.6)%**
Net income attributable to non-controlling interests	(8)	(52)	44	(84.6)%
Net income attributable to the Company	1,518	4,812	(3,294)	(68.5)%
Aggregate dividends declared on Series B and Series C Preferred Stock	(8,837)	(6,793)	(2,044)	30.1%
Net loss attributable to common stockholders	**$ (7,319)**	**$ (1,981)**	**$ (5,338)**	**269.5%**

NM = Not Meaningful

Other Income (Expense)

Other income, which generally consists of interest patronage received from Farm Credit (as defined in Note 4, "*Borrowings*," in the accompanying notes to our condensed consolidated financial statements) and interest earned on short-term investments, decreased for the three months ended September 30, 2021, as compared to the prior-year period, and increased for the nine months ended September 30, 2021, as compared to the prior-year period, primarily driven by additional interest patronage received from Farm Credit during each of the respective periods (primarily due to increased borrowings from Farm Credit).

During the three months ended March 31, 2021, we recorded approximately $2.2 million of interest patronage from Farm Credit related to interest accrued during 2020, compared to approximately $1.3 million of interest patronage recorded during the prior-year period. Coupled with approximately $306,000 of 2020 interest patronage that was received during the three months ended September 30, 2020, we recorded a total of approximately $2.5 million of 2020 interest patronage from Farm Credit, which resulted in a 28.7% reduction (approximately 135 basis points) to the interest rates on such borrowings.

Interest expense increased for each of the three and nine months ended September 30, 2021, as compared to the respective prior-year periods, primarily due to increased overall borrowings. The weighted-average principal balance of our aggregate borrowings (excluding our Series A Term Preferred Stock and Series D Term Preferred Stock) outstanding for the three and nine months ended September 30, 2021, was approximately $627.6 million and $629.2 million, respectively, as compared to approximately $496.9 million and $487.2 million for the respective prior-year periods. Excluding interest patronage received on certain of our Farm Credit borrowings and the impact of debt issuance costs, the overall effective interest rate charged on our aggregate borrowings for the three and nine months ended September 30, 2021, was 3.74% and 3.72%, respectively, as compared to 4.03% and 3.99% for the respective prior-year periods.

During the three and nine months ended September 30, 2021, we paid aggregate distributions on our Series A Term Preferred Stock and Series D Term Preferred Stock of approximately $755,000 and $2.3 million, respectively. The Series D Term Preferred Stock was issued in January 2021, and the Series A Term Preferred Stock was voluntarily redeemed in full in February 2021. During the three and nine months ended September 30, 2020, we paid distributions on our Series A Term Preferred Stock of approximately $458,000 and $1.4 million, respectively.

During each of the three and nine months ended September 30, 2021 and 2020, we recorded net losses on dispositions of real estate assets primarily due to the disposal of certain irrigation improvements on certain of our farms, partially offset during the nine months ended September 30, 2021, by net gains recognized on the sale of irrigation pivots on two of our farms that were replaced.

The net property and casualty recovery recorded during the three and nine months ended September 30, 2020, related to insurance recoveries received for certain irrigation improvements that were damaged due to natural disasters.

During the three and nine months ended September 30, 2021, we recognized a loss from investments in an unconsolidated entity of approximately $19,000 and $42,000, respectively, as compared to a loss of approximately $19,000 and income of $7,000 for the respective prior-year periods.

During the three and nine months ended September 30, 2021, the aggregate dividends paid on our Series B Preferred Stock and Series C Preferred Stock increased over that of the respective prior-year periods due to additional shares issued and outstanding during the current-year periods. In addition, during the three and nine months ended September 30, 2021, we also recognized a loss of approximately $23,000 related to the early optional redemption of 9,920 shares of our Series C Preferred Stock.

LIQUIDITY AND CAPITAL RESOURCES

Overview

Our current short- and long-term sources of funds include cash and cash equivalents, cash flows from operations, borrowings (including the undrawn commitments available under our facility with MetLife), and issuances of additional equity securities. Our current available liquidity is approximately $135.7 million, consisting of approximately $85.7 million in cash on hand and, based on the current level of collateral pledged, approximately $50.0 million of availability under our facility with MetLife (subject to compliance with covenants) and other undrawn notes or bonds. In addition, we currently have six properties valued at approximately $105.5 million that are unencumbered and eligible to be pledged as collateral.

Future Capital Needs

Our short- and long-term liquidity requirements consist primarily of making distributions to stockholders (including to non-controlling OP Unitholders) to maintain our qualification as a REIT, funding our general operating costs, making principal and interest payments on outstanding borrowings, making dividend payments on our Series B Preferred Stock, Series C Preferred Stock, and Series D Term Preferred Stock, and, as capital is available, funding new farmland and farm-related acquisitions consistent with our investment strategy.

Notwithstanding the ongoing COVID-19 pandemic, including the recent surge in certain variants, we believe that our current and short-term cash resources will be sufficient to fund our distributions to stockholders (including non-controlling OP Unitholders), service our debt, pay dividends on our Series B Preferred Stock, Series C Preferred Stock, and Series D Term Preferred Stock, and fund our current operating costs in the near term. We expect to meet our long-term liquidity requirements through various sources of capital, including future equity issuances (including, but not limited to, shares of common stock through our ATM Program, OP Units through our Operating Partnership as consideration for future acquisitions, and shares of our Series C Preferred Stock), long-term mortgage indebtedness and bond issuances, and other secured and unsecured borrowings. While public equity markets have experienced significant volatility lately, based on discussions with our lenders, we do not believe there will be a credit freeze in the near term. We are in compliance with all of our debt covenants under our respective credit facilities and borrowings, and we believe we currently have adequate liquidity to cover all near-term debt obligations and operating expenses.

We intend to use a significant portion of any current and future available liquidity to purchase additional farms and farm-related facilities. We continue to actively seek and evaluate acquisitions of additional farms and farm-related facilities that satisfy our investment criteria, and despite the ongoing COVID-19 pandemic, our pipeline of potential acquisitions remains healthy. We have several properties under signed purchase and sale agreements or non-binding letters of intent that we hope to consummate over the next several months. We also have many other properties that are in various other stages of our due diligence process. However, all potential acquisitions will be subject to our due diligence investigation of such properties, and there can be no assurance that we will be successful in identifying or acquiring any properties in the future.

Cash Flow Resources

The following table summarizes total net cash flows from operating, investing, and financing activities for the nine months ended September 30, 2021 and 2020 (dollars in thousands):

	For the Nine Months Ended September 30,			
	2021	2020	$ Change	% Change
Net change in cash from:				
Operating activities	$ 20,356	$ 11,593	$ 8,763	75.6%
Investing activities	(149,501)	(75,620)	(73,881)	97.7%
Financing activities	186,418	56,794	129,624	228.2%
Net change in Cash and cash equivalents	$ 57,273	$ (7,233)	$ 64,506	(891.8)%

Operating Activities

The majority of cash from operating activities is generated from the rental payments we receive from our tenants, which is first used to fund our property-level operating expenses, with any excess cash being primarily used for principal and interest payments on our borrowings, management fees to our Adviser, administrative fees to our Administrator, and other corporate-level expenses. Cash provided by operating activities increased for the nine months ended September 30, 2021, as compared to the prior-year period, primarily due to additional rental payments received from recent acquisitions and interest patronage received from Farm Credit, partially offset by increases in the amount of interest payments made.

Investing Activities

The increase in cash used in investing activities during the nine months ended September 30, 2021, as compared to the prior-year period, was primarily due to an increase in cash paid for acquisitions of new farms, partially offset by a decrease in the amount of cash paid for capital improvements on existing farms during the nine months ended September 30, 2021.

Financing Activities

The increase in cash provided by financing activities during the nine months ended September 30, 2021, as compared to the prior-year period, was primarily due to an increase in aggregate net cash proceeds from equity issuances (including our common stock and the Series C Preferred Stock) of approximately $105.4 million and the issuance of our Series D Term Preferred Stock (which after voluntarily redeeming our Series A Term Preferred Stock in full, resulted in net cash proceeds of approximately $31.6 million), partially offset by an increase in total distributions.

Debt Capital

MetLife Facility

As amended, our facility with MetLife currently consists of a $75.0 million long-term note payable (the "MetLife Term Note") and $75.0 million of revolving equity lines of credit (the "MetLife Lines of Credit," and together with the MetLife Term Note, the "MetLife Facility"). We currently have $36.9 million outstanding on the MetLife Term Note and $100,000 outstanding under the MetLife Lines of Credit. While $113.0 million of the full commitment amount under the MetLife Facility remains undrawn, based on the current level of collateral pledged, we currently have approximately $24.2 million of availability under the MetLife Facility. The draw period for the MetLife Term Note expires on December 31, 2022, after which time MetLife has the option to be relieved of its obligation to disburse any additional undrawn funds under the MetLife Term Note. We are currently in discussions with MetLife to further expand the size of the MetLife Facility and extend the draw period under the MetLife Term Note; however, there is no guarantee that we will be able to reach terms favorable to us, if at all.

Farmer Mac Facility

As amended on December 10, 2020, our agreement with Farmer Mac provides for bond issuances up to an aggregate amount of $225.0 million (the "Farmer Mac Facility") by May 31, 2023, after which Farmer Mac had the option to be relieved of its obligation to purchase additional bonds under this facility. To date, we have issued aggregate bonds of approximately $95.2 million under the Farmer Mac Facility.

Farm Credit and Other Lenders

Since September 2014, we have closed on multiple loans with various different Farm Credit associations (for additional information on these associations, see Note 4, "*Borrowings*," within the accompanying notes to our condensed consolidated financial statements). We also currently have borrowing relationships with several other agricultural lenders and are continuously reaching out to other lenders to establish prospective new relationships. In addition, we expect to enter into additional borrowing agreements with existing and new lenders in connection with certain potential new acquisitions in the future.

Equity Capital

The following table provides information on equity sales that have occurred since January 1, 2021 (dollars in thousands, except per-share amounts):

Type of Issuance	Number of Shares Sold	Weighted-average Offering Price Per Share	Gross Proceeds	Net Proceeds[1]
Series C Preferred Stock[2][3]	1,912,851	$ 24.86	$ 47,553	$ 43,517
Common Stock – ATM Program	7,990,994	21.70	173,428	171,693

(1) Net of selling commissions and dealer-manager fees or underwriting discounts and commissions (in each case, as applicable).
(2) Excludes share redemptions during the applicable time period.
(3) Excludes approximately 6,537 shares issued pursuant to the DRIP.

Our Registration Statement (as defined in Note 8, "*Equity—Registration Statement*," within the accompanying notes to our condensed consolidated financial statements) permits us to issue up to an aggregate of $1.0 billion in securities (including up to $650.0 million reserved for issuance of shares of the Series C Preferred Stock), consisting of common stock, preferred stock, warrants, debt securities, depository shares, subscription rights, and units, including through separate, concurrent offerings of two or more of such securities. To date, we have issued approximately $74.7 million of Series C Preferred Stock, approximately $60.4 million of Series D Term Preferred Stock, and approximately $241.2 million of common stock (excluding common stock issued to redeem OP Units) under the Registration Statement.

In addition, we have the ability to, and expect to in the future, issue additional OP Units to third parties as consideration in future property acquisitions.

Off-Balance Sheet Arrangements

As of September 30, 2021, we did not have any material off-balance sheet arrangements.

NON-GAAP FINANCIAL INFORMATION

Funds from Operations, Core Funds from Operations, and Adjusted Funds from Operations

The National Association of Real Estate Investment Trusts ("NAREIT") developed funds from operations ("FFO") as a relative non-GAAP supplemental measure of operating performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the same basis as determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. We further present core FFO ("CFFO") and adjusted FFO ("AFFO") as additional non-GAAP financial measures of our operational performance, as we believe both CFFO and AFFO improve comparability on a period-over-period basis and are more useful supplemental metrics for investors to use in assessing our operational performance on a more sustainable basis than FFO. We believe that these additional performance metrics, along with the most directly-comparable GAAP measure, provide investors with helpful insight regarding how management measures our ongoing performance, as each of CFFO and AFFO (and their respective per-share amounts) are used by management and our board of directors, as appropriate, in assessing overall performance, as well as in certain decision-making analysis, including, but not limited to, the timing of acquisitions and potential equity raises (and the type of securities to offer in any such equity raises), the determination of any fee credits, and declarations of distributions on our common stock. The non-GAAP financial measures presented herein have limitations as analytical tools and should not be considered in isolation or as a substitute for an analysis of our results calculated in accordance with GAAP. We believe that net income is the most directly-comparable GAAP measure to each of FFO, CFFO, and AFFO.

Specifically, we believe that FFO is helpful to investors in better understanding our operating performance, primarily because its calculation excludes depreciation and amortization expense on real estate assets, as we believe that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, particularly with farmland real estate, the value of which does not diminish in a predictable manner over time, as historical cost depreciation implies. Further, we believe that CFFO and AFFO are helpful in understanding our operating performance in that it removes certain items that, by their nature, are not comparable on a period-over-period basis and therefore tend to obscure actual operating performance. In addition, we believe that providing CFFO and AFFO as additional performance metrics allows investors to gauge our overall performance in a manner that is more similar to how our performance is measured by management (including their respective per-share amounts), as well as by analysts and the overall investment community.

We calculate CFFO by adjusting FFO for the following items:

- *Acquisition- and disposition-related expenses.* Acquisition- and disposition-related expenses (including due diligence costs on acquisitions not consummated and certain auditing and accounting fees incurred that were directly related to completed acquisitions or dispositions) are incurred for investment purposes and do not correlate with the ongoing operations of our existing portfolio. Further, certain auditing and accounting fees incurred vary depending on the number and complexity of acquisitions or dispositions completed during the period. Due to the inconsistency in which these costs are incurred and how they have historically been treated for accounting purposes, we believe the exclusion of these expenses improves comparability of our operating results on a period-to-period basis.

Other adjustments. We will adjust for certain non-recurring charges and receipts and will explain such adjustments accordingly. We believe the exclusion of these amounts improves comparability of our operating results on a period-to-period basis and will apply consistent definitions of CFFO for all prior-year periods presented to provide consistency and better comparability.

Further, we calculate AFFO by adjusting CFFO for the following items:

- *Rent adjustments.* This adjustment removes the effects of straight-lining rental income, as well as the amortization related to above-market lease values and lease incentives and accretion related to below-market lease values, other deferred revenue, and tenant improvements, resulting in rental income reflected on a modified accrual cash basis. In addition to these adjustments, we also modify the calculation of cash rents within our definition of AFFO to provide greater consistency and comparability due to the period-to-period volatility in which cash rents are received. To coincide with our tenants' harvest seasons, our leases typically provide for cash rents to be paid at various points throughout the lease year, usually annually or semi-annually. As a result, cash rents received during a particular period may not necessarily be comparable to other periods or represent the cash rents indicative of a given lease year. Therefore, we further adjust AFFO to normalize the cash rent received pertaining to a lease year over that respective lease year on a straight-line basis, resulting in cash rent being recognized ratably over the period in which the cash rent is earned.
- *Amortization of debt issuance costs.* The amortization of costs incurred to obtain financing is excluded from AFFO, as it is a non-cash expense item that is not directly related to the operating performance of our properties.
- *Other adjustments.* We will adjust for certain non-cash charges and receipts and will explain such adjustments accordingly. We believe the exclusion of such non-cash amounts improves comparability of our operating results on a period-to-period basis and will apply consistent definitions of AFFO for all prior-year periods presented to provide consistency and better comparability.

We believe the foregoing adjustments aid our investors' understanding of our ongoing operational performance.

FFO, CFFO and AFFO do not represent cash flows from operating activities in accordance with GAAP, which, unlike FFO, CFFO, and AFFO, generally reflects all cash effects of transactions and other events in the determination of net income, and should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions. Comparisons of FFO, CFFO, and AFFO, using the NAREIT definition for FFO and the definitions above for CFFO and AFFO, to similarly-titled measures for other REITs may not necessarily be meaningful due to possible differences in the definitions used by such REITs.

Diluted funds from operations ("Diluted FFO"), diluted core funds from operations ("Diluted CFFO"), and diluted adjusted funds from operations ("Diluted AFFO") per share are FFO, CFFO, and AFFO, respectively, divided by the weighted-average number of total shares (including shares of our common stock and OP Units held by non-controlling limited partners) outstanding on a fully-diluted basis during a period. We believe that diluted earnings per share is the most directly-comparable GAAP measure to each of Diluted FFO, CFFO, and AFFO per share. Because many REITs provide Diluted FFO, CFFO, and AFFO per share information to the investment community, we believe these are useful supplemental measures when comparing us to other REITs.

We believe that FFO, CFFO, and AFFO and Diluted FFO, CFFO, and AFFO per share are useful to investors because they provide investors with a further context for evaluating our FFO, CFFO, and AFFO results in the same manner that investors use net income and EPS in evaluating net income.

The following table provides a reconciliation of our FFO, CFFO, and AFFO for the three and nine months ended September 30, 2021 and 2020 to the most directly-comparable GAAP measure, net income, and a computation of diluted FFO, CFFO, and AFFO per share, using the weighted-average number of total shares (including shares of our common stock and OP Units held by non-controlling OP Unitholders) outstanding during the respective periods (dollars in thousands, except per-share amounts):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2021	2020	2021	2020
Net income	**$ 1,503**	**$ 1,581**	**$ 1,526**	**$ 4,864**
Less: Aggregate dividends declared on Series B Preferred Stock and Series C Preferred Stock[1]	(3,134)	(2,405)	(8,837)	(6,793)
Net loss attributable to common stockholders and non-controlling OP Unitholders	**(1,631)**	**(824)**	**(7,311)**	**(1,929)**
Plus: Real estate and intangible depreciation and amortization	6,944	3,909	19,280	12,010
Plus: Losses on dispositions of real estate assets, net	1	195	1,841	861
Adjustments for unconsolidated entities[2]	9	5	28	13
FFO available to common stockholders and non-controlling OP Unitholders	**5,323**	**3,285**	**13,838**	**10,955**
Plus: Acquisition- and disposition-related expenses	44	43	185	110
Plus (less): Other nonrecurring charges (receipts), net[3]	—	—	56	(37)
CFFO available to common stockholders and non-controlling OP Unitholders	**5,367**	**3,328**	**14,079**	**11,028**
Net rent adjustment	(481)	(437)	(1,487)	(852)
Plus: Amortization of debt issuance costs	264	194	905	559
Less: Other non-cash charges (receipts)[4]	101	63	164	38
AFFO available to common stockholders and non-controlling OP Unitholders	**5,251**	**3,148**	**13,661**	**10,773**
Weighted-average common stock outstanding—basic and diluted	31,362,423	21,991,291	29,215,628	21,558,859
Weighted-average common non-controlling OP Units outstanding	204,778	16,452	153,021	175,981
Weighted-average total common shares outstanding	31,567,201	22,007,743	29,368,649	21,734,840
Diluted FFO per weighted-average total common share	$ 0.17	$ 0.15	$ 0.47	$ 0.50
Diluted CFFO per weighted-average total common share	$ 0.17	$ 0.15	$ 0.48	$ 0.51
Diluted AFFO per weighted-average total common share	$ 0.17	$ 0.14	$ 0.47	$ 0.50

(1) Includes (i) cash dividends paid on our Series B Preferred Stock and Series C Preferred Stock, (ii) the value of additional shares of Series C Preferred Stock issued pursuant to the DRIP, and (iii) the pro-rata write-off of offering costs related to shares of Series B Preferred Stock and Series C Preferred Stock that were redeemed during the respective periods.

(2) Represents our pro-rata share of depreciation expense recorded in unconsolidated entities during the respective periods.

(3) Consists primarily of (i) net property and casualty recoveries recorded, net of the cost of related repairs expensed, as a result of the damage caused to certain irrigation improvements by natural disasters on certain of our properties, (ii) one-time listing fees related to our Series D Term Preferred Stock, (iii) the write-off of certain unallocated costs related to a prior universal registration statement, and (iv) certain one-time costs related to the early redemption of our Series A Term Preferred Stock.

(4) Consists of (i) the amount of dividends on the Series C Preferred Stock paid via issuing new shares (pursuant to the DRIP), (ii) the pro-rata write-off of offering costs related to shares of the Series B Preferred Stock and Series C Preferred Stock that were redeemed, which were noncash charges, and (iii) our remaining pro-rata share of income (loss) recorded from investments in unconsolidated entities during the period.

Net Asset Value

Real estate companies are required to record real estate using the historical cost basis of the real estate, adjusted for accumulated depreciation and amortization, and, as a result, the carrying value of the real estate does not typically change as the fair value of the assets change. Thus, one challenge is determining the fair value of the real estate in order to allow stockholders to see the value of the real estate increase or decrease over time, which we believe is useful to our investors.

Determination of Fair Value

Our Board of Directors reviews and approves the valuations of our properties pursuant to a valuation policy approved by our Board of Directors (the "Valuation Policy"). Such review and approval occurs in three phases: (i) prior to its quarterly meetings, the Board of Directors receives written valuation recommendations and supporting materials that are provided by professionals of the Adviser and Administrator, with oversight and direction from the chief valuation officer, who is also employed by the Administrator (collectively, the "Valuation Team"); (ii) the valuation committee of the Board of Directors (the "Valuation Committee"), which is comprised entirely of independent directors, meets to review the valuation recommendations and supporting materials; and (iii) after the Valuation Committee concludes its meeting, it and the chief valuation officer present the Valuation Committee's findings to the entire Board of Directors so that the full Board of Directors may review and approve the fair values of our properties in accordance with the Valuation Policy. Further, on a quarterly basis, the Board of Directors reviews the Valuation Policy to determine if changes thereto are advisable and also reviews whether the Valuation Team has applied the Valuation Policy consistently.

Per the Valuation Policy, our valuations are generally derived based on the following:

- For properties acquired within 12 months prior to the date of valuation, the purchase price of the property will generally be used as the current fair value unless overriding factors apply. In situations where OP Units are issued as partial or whole consideration in connection with the acquisition of a property, the fair value of the property will generally be the lower of: (i) the agreed-upon purchase price between the seller and the buyer (as shown in the purchase and sale agreement or contribution agreement and using the agreed-upon pricing of the OP Units, if applicable), or (ii) the value as determined by an independent, third-party appraiser.
- For real estate we acquired more than one year prior to the date of valuation, we determine the fair value either by relying on estimates provided by independent, third-party appraisers or through an internal valuation process. In addition, if significant capital improvements take place on a property, we will typically have those properties reappraised upon completion of the project by an independent, third-party appraiser. In any case, we intend to have each property valued by an independent, third-party appraiser via a full appraisal at least once every three years, with interim values generally being determined by either: (i) a restricted appraisal (a "desk appraisal") performed by an independent, third-party appraiser, or (ii) our internal valuation process.

Various methodologies were used, both by the appraisers and in our internal valuations, to determine the fair value of our real estate, including the sales comparison, income capitalization (or a discounted cash flow analysis), and cost approaches of valuation. In performing their analyses, the appraisers typically (i) conducted site visits to the properties (where full appraisals were performed), (ii) discussed each property with our Adviser and reviewed property-level information, including, but not limited to, property operating data, prior appraisals (as available), existing lease agreements, farm acreage, location, access to water and water rights, potential for future development, and other property-level information, and (iii) reviewed information from a variety of sources about regional market conditions applicable to each of our properties, including, but not limited to, recent sale prices of comparable farmland, market rents for similar farmland, estimated marketing and exposure time, market capitalization rates, and the current economic environment, among others. In performing our internal valuations, we will consider the most recent appraisal available and use similar methodologies in determining an updated fair value. We will also obtain updated market data related to the property, such as updated sales and market rent comparisons and market capitalization rates, and perform an updated assessment of the tenants' credit risk profiles, among others. Sources of this data may come from market inputs from recent acquisitions of our own portfolio of real estate, recent appraisals of properties we own that are similar in nature and in the same region (as applicable) as the property being valued, market conditions and trends we observe in our due diligence process, and conversations with appraisers, brokers, and farmers.

A breakdown of the methodologies used to value our properties and the aggregate value as of September 30, 2021, determined by each method is shown in the table below (dollars in thousands, except in footnotes):

Valuation Method	Number of Farms	Total Acres	Farm Acres	Net Cost Basis[(1)]	Current Fair Value	% of Total Fair Value
Purchase Price	35	14,197	12,620	$ 333,040	$ 339,295	25.8%
Internal Valuation	3	6,189	4,730	21,443	36,000	2.7%
Third-party Appraisal[(2)]	120	86,412	70,850	824,138	939,375	71.5%
Total	**158**	**106,798**	**88,200**	**$ 1,178,621**	**$ 1,314,670**	**100.0%**

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs paid for by us that were associated with the properties, and adjusted for accumulated depreciation and amortization.

(2) Appraisals performed between December 2020 and September 2021.

Some of the significant assumptions used by appraisers and the Valuation Team in valuing our portfolio as of September 30, 2021, include land values per farmable acre, market rental rates per farmable acre and the resulting net operating income ("NOI") at the property level, and capitalization rates, among others. These assumptions were applied on a farm-by-farm basis and were selected based on several factors, including comparable land sales, surveys of both existing and current market rates, discussions with other brokers and farmers, soil quality, size, location, and other factors deemed appropriate. A summary of these significant assumptions is provided in the following table:

	Appraisal Assumptions		Internal Valuation Assumptions	
	Range *(Low - High)*	Weighted Average	Range *(Low - High)*	Weighted Average
Land Value (per farmable acre)	$678 – $128,781	$ 34,627	$5,504 – $5,504	$ 5,504
Market NOI (per farmable acre)	$190 – $3,546	$ 1,433	$214 – $214	$ 214
Market Capitalization Rate	3.00% – 10.06%	5.06%	4.00% – 4.00%	4.00%

Note: Figures in the table above apply only to the farmland portion of our portfolio and exclude assumptions made relating to farm-related facilities (e.g., cooling facilities), and other structures on our properties (e.g., residential housing), as their aggregate value was considered to be insignificant in relation to that of the farmland.

Our Valuation Team reviews the appraisals, including the significant assumptions and inputs used in determining the appraised values, and considers any developments that may have occurred since the time the appraisals were performed. Developments considered that may have an impact on the fair value of our real estate include, but are not limited to, changes in tenant credit profiles, changes in lease terms (such as expirations and notices of non-renewals or to vacate), and potential asset sales (particularly those at prices different from the appraised values of our properties).

Management believes that the purchase prices of the farms acquired during the previous 12 months and the most recent appraisals available for the farms acquired prior to the previous 12 months fairly represent the current market values of the properties as of September 30, 2021, and, accordingly, did not make any adjustment to these values.

A quarterly roll-forward of the change in our portfolio value for the three months ended September 30, 2021, from the prior value basis as of June 30, 2021, is provided in the table below (dollars in thousands):

Total portfolio fair value as of June 30, 2021			**$**	**1,250,371**
Plus: Acquisition of five new farms during the three months ended September 30, 2021				62,333 (1)
Plus net value appreciation during the three months ended September 30, 2021:				
Three farms valued internally	$	(1,650)		
46 farms valued via third-party appraisals		3,616		
Total net appreciation for the three months ended September 30, 2021				1,966
Total portfolio fair value as of September 30, 2021			**$**	**1,314,670**

(1) Includes approximately $306,000 paid to exercise a water purchase option that was acquired in connection with one of the farms that was acquired during the three months ended September 30, 2021.

Management also determined fair values of all of its long-term borrowings and preferred stock. Using a discounted cash flow analysis, management determined that the fair value of all long-term encumbrances on our properties as of September 30, 2021, was approximately $644.7 million, as compared to a carrying value (excluding unamortized related debt issuance costs) of approximately $649.5 million. The fair values of our Series B Preferred Stock and Series D Term Preferred Stock were determined using the closing stock prices as of September 30, 2021, of $25.80 per share and $26.03 per share, respectively. Finally, pursuant to Financial Industry Regulatory Authority Rule 2310(b)(5), with the assistance of a third-party valuation expert, we determined the estimated value of our Series C Preferred Stock to be $25.00 per share as of September 30, 2021 (see Exhibit 99.1 to this Form 10-Q).

Calculation of Estimated Net Asset Value

To provide our stockholders with an estimate of the fair value of our real estate assets, we intend to estimate the fair value of our farms and farm-related properties and provide an estimated net asset value ("NAV") on a quarterly basis. NAV is a non-GAAP, supplemental measure of financial position of an equity REIT and is calculated as total equity, adjusted for the increase or decrease in fair value of our real estate assets and long-term borrowings (including any preferred stock required to be treated as debt for GAAP purposes) relative to their respective cost bases. Further, we calculate NAV per common share by dividing NAV by our total common shares outstanding (consisting of our common stock and OP Units held by non-controlling limited partners).

The fair values presented above and their usage in the calculation of net asset value per share presented below have been prepared by and is the responsibility of management. PricewaterhouseCoopers LLP has neither examined, compiled, nor performed any procedures with respect to the fair values or the calculation of net asset value per common share, which utilizes information that is not disclosed within the financial statements, and, accordingly, does not express an opinion or any other form of assurance with respect thereto.

As of September 30, 2021, we estimate the NAV per common share to be $13.80. A reconciliation of NAV to total equity, which we believe is the most directly-comparable GAAP measure, is provided below (dollars in thousands, except per-share data)**:**

Total equity per balance sheet			**$**	**525,447**
Fair value adjustment for long-term assets:				
Less: net cost basis of tangible and intangible real estate holdings[(1)]	$	(1,178,621)		
Plus: estimated fair value of real estate holdings[(2)]		1,314,670		
Net fair value adjustment for real estate holdings				136,049
Fair value adjustment for long-term liabilities:				
Plus: book value of aggregate long-term indebtedness[(3)]		709,831		
Less: fair value of aggregate long-term indebtedness[(3)(4)]		(707,601)		
Net fair value adjustment for long-term indebtedness				2,230
Estimated NAV				**663,726**
Less: aggregate fair value of Series B Preferred Stock and Series C Preferred Stock[(5)]				(218,681)
Estimated NAV available to common stockholders and non-controlling OP Unitholders			**$**	**445,045**
Total common shares and non-controlling OP Units outstanding[(6)]				32,248,767
Estimated NAV per common share and OP Unit			**$**	**13.80**

(1) Per Net Cost Basis as presented in the table above.
(2) Per Current Fair Value as presented in the table above.
(3) Includes the principal balances outstanding of all long-term borrowings (consisting of notes and bonds payable) and the Series D Term Preferred Stock.
(4) Long-term notes and bonds payable were valued using a discounted cash flow model. The Series D Term Preferred Stock was valued based on its closing stock price as of September 30, 2021.
(5) The Series B Preferred Stock was valued based on its closing stock price as of September 30, 2021, while the Series C Preferred Stock was valued at its liquidation value, as discussed above.
(6) Includes 32,043,989 shares of common stock and 204,778 OP Units held by non-controlling OP Unitholders.

A quarterly roll-forward in the estimated NAV per common share for the three months ended September 30, 2021, is provided below:

Estimated NAV per common share and non-controlling OP Unit as of June 30, 2021			**$**	**13.16**
Less net loss attributable to common stockholders and non-controlling OP Unitholders				(0.05)
Adjustments for net change in valuations:				
Net change in unrealized fair value of farmland portfolio[(1)]	$	0.25		
Net change in unrealized fair value of long-term indebtedness		0.08		
Net change in valuations				0.33
Less distributions on common stock and non-controlling OP Units				(0.14)
Plus net accretive effect of equity issuances				0.50
Estimated NAV per common share and non-controlling OP Unit as of September 30, 2021			**$**	**13.80**

(1) The net change in unrealized fair value of our farmland portfolio consists of three components: (i) an increase of $0.06 per share due to the net appreciation in value of the farms that were valued during the three months ended September 30, 2021, (ii) an increase of $0.22 per share due to the aggregate depreciation and amortization expense recorded during the three months ended September 30, 2021, and (iii) a decrease of $0.03 per share due to net asset dispositions or capital improvements made on certain farms that have not yet been considered in the determination of the respective farms' estimated fair values.

Comparison of estimated NAV and estimated NAV per common share, using the definitions above, to similarly-titled measures for other REITs may not necessarily be meaningful due to possible differences in the calculation or application of the definition of NAV used by such REITs. In addition, the trading price of our common shares may differ significantly from our most recent estimated NAV per common share calculation. For example, while we estimated our NAV per common share to be $13.80 as of September 30, 2021, based on the calculation above, the closing price of our common stock on September 30, 2021, was $22.77 per share.

The determination of estimated NAV is subjective and involves a number of assumptions, judgments, and estimates, and minor adjustments to these assumptions, judgments, or estimates may have a material impact on our overall portfolio valuation. In addition, many of the assumptions used are sensitive to market conditions and can change frequently. Changes in the market environment and other events that may occur during our ownership of these properties may cause the values reported above to vary from the actual fair value that may be obtained in the open market. Further, while management believes the values presented reflect current market conditions, the ultimate amount realized on any asset will be based on the timing of such dispositions and the then-current market conditions. There can be no assurance that the ultimate realized value upon disposition of an asset will approximate the estimated fair value above.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This Item is not applicable to smaller reporting companies.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of September 30, 2021, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2021, in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of necessarily achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2021, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any material legal proceedings, nor, to our knowledge, are any such material legal proceedings threatened against us.

Item 1A. Risk Factors

Our business is subject to certain risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. For a discussion of these risks, please refer to the section captioned, "Item 1A. Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2020. There have been no material changes to risks associated with our business or investment in our securities from those previously set forth in the report described above. The risks in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially and adversely affect our business, financial condition, and/or operating results in the future.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation, incorporated by reference to Exhibit 3.1 to Pre-Effective Amendment No. 2 to the Registration Statement on Form S-11 (File No. 333-183965), filed on November 2, 2012.
3.2	Amended and Restated Bylaws, incorporated by reference to Exhibit 3.2 to Pre-Effective Amendment No. 3 to the Registration Statement on Form S-11 (File No. 333-183965), filed on November 15, 2012.
3.3	Articles of Amendment, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35795), filed on July 12, 2017.
3.4	Articles Supplementary establishing the 6.00% Series B Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35795), filed on May 31, 2018.
3.5	Articles Supplementary for 6.00% Series C Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35795), filed on February 20, 2020.
3.6	Articles Supplementary for 5.00% Series D Cumulative Term Preferred Stock, incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K (File No. 001-35795), filed on January 14, 2021.
3.7	Articles Supplementary, incorporated by reference to Exhibit 3.7 to the Quarterly Report on Form 10-Q (File No. 001-35795), filed on May 12, 2021
4.1	Form of Common Stock Certificate, incorporated by reference to Exhibit 4.1 to Pre-Effective Amendment No. 4 to the Registration Statement on Form S-11 (File No. 333-183965), filed on December 27, 2012.
4.2	Form of Certificate for 6.00% Series B Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35795), filed on May 31, 2018.
4.3	Form of Certificate for 6.00% Series C Cumulative Redeemable Preferred Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35795), filed on February 20, 2020.
4.4	Form of Certificate for 5.00% Series D Cumulative Term Preferred Stock, incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 001-35795), filed on January 14, 2021.
4.5	Form of Indenture, incorporated by reference to Exhibit 4.9 to the Registration Statement on Form S-3 (File No. 333-236943), filed on March 6, 2020.
10.1	Fifth Amended and Restated Investment Advisory Agreement, dated July 13, 2021, by and between Gladstone Land Corporation and Gladstone Management Corporation, incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 001-35795), filed on July 14, 2021.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
99.1	Estimated Value Methodology for Series C Cumulative Redeemable Preferred Stock as of September 30, 2021 (filed herewith).
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF***	XBRL Definition Linkbase
104	Cover Page Interactive Data File (formatted in iXBRL and contained in Exhibit 101)

*** Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in Inline eXtensible Business Reporting Language (iXBRL): (i) the Condensed Consolidated Balance Sheets as of September 30, 2021, and December 31, 2020, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended September 30, 2021 and 2020, (iii) the Condensed Consolidated Statements of Equity for the three and nine months ended September 30, 2021 and 2020, (iv) the Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2021 and 2020, and (v) the Notes to the Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		Gladstone Land Corporation
Date: November 9, 2021	By:	/s/ Lewis Parrish
		Lewis Parrish
		Chief Financial Officer and Assistant Treasurer
Date: November 9, 2021	By:	/s/ David Gladstone
		David Gladstone
		Chief Executive Officer and Chairman of the Board of Directors

Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Gladstone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2021

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lewis Parrish, certify that:

1. I have reviewed this quarterly report on Form10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 9, 2021

/s/ Lewis Parrish

Lewis Parrish
Chief Financial Officer and
Assistant Treasurer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer of Gladstone Land Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the period ended September 30, 2021 (“Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 9, 2021

/s/ David Gladstone

David Gladstone
Chief Executive Officer and
Chairman of the Board of Directors

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer and Assistant Treasurer of Gladstone Land Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the period ended September 30, 2021 (“Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: November 9, 2021

/s/ Lewis Parrish

Lewis Parrish
Chief Financial Officer and
Assistant Treasurer

Exhibit 99.1

Pursuant to FINRA Rule 2310(b)(5) and 2231(c), Gladstone Land Corporation (the "Company") determined the estimated value as of September 30, 2021, of its 6.00% Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock"), $25.00 stated value per share, with the assistance of a third-party valuation service. In particular, the third-party valuation service reviewed the amount resulting from the consolidated total equity of the Company (as reflected on the Company's Consolidated Balance Sheet within its Quarterly Report on Form 10-Q for the period ended September 30, 2021 (the "Form 10-Q"), which was prepared in accordance with U.S. generally accepted accounting principles), adjusted for the fair value of its long-term assets (i.e., its real estate holdings) and long-term liabilities (each as disclosed within the Form 10-Q (to which this exhibit is attached) under "Non-GAAP Financial Information—Net Asset Value"), divided by the number of shares of the Company's Series C Preferred Stock outstanding. Based on this methodology and because the result from the calculation above is greater than the $25.00 per share state value of the Company's Series C Preferred Stock, the Company has determined that the estimated value of its Series C Preferred Stock as of September 30, 2021, is $25.00 per share.