Grow With Us!

Eight Reasons to Invest in Almonds – Agricultural Commercial Real Estate with Crawford Park

Almonds in Shell and Almond Orchard
Courtesy of California Almonds, The Almond Board of California
Growing Demand and Limited Supply Make Almonds a Compelling Investment Opportunity

The Global Demand for Almonds Continues to Increase
According to the California Almond Board, in 2018 the average person consumes 2 pounds of nuts each year compared to just 1.3 pounds consumed in 2008.

Constraints on Capacity Increase Value
About 70% of the world’s almond supply comes from California. Investing in almonds is considered a hard asset and a stable investment because of the limited availability of appropriate land with the proper water supply, climate, and soils.

Deep Sector Knowledge
- Investments focused on almond farming properties (orchards)
- In-depth knowledge and disciplined investment process for land acquisition, water management, and sustainable farming practices.
- In past five years Crawford Park has managed over $75 million for investors in various commercial real estate and farming assets
- Attractive returns of income (annual returns) and long-term capital appreciation in real estate
Almond Orchards Have Multiple Sources of Income

Almond orchards generate income and can provide long-term capital gains, tax benefits for investors and increases in underlying equity.

- Proceeds of harvested almonds generate sufficient income to pay the orchards operational expenses and will typically provide our investors with an average preferred return in excess of 7%.

- Orchards tend to increase in value over time and are an inflation hedge. Our orchards have a higher probability of increasing in value due to our strict adherence to the water accessibility and sustainability criteria that we use.

- We employ low leverage. We anticipate using 15-year mortgages of 60% or less LTV.
Farmland for Almonds is Valuable – and Becoming More So

Agricultural land suitable for growing almonds is in short supply, ensuring that investments in almond farming should hold and potentially increase their value over time.

The Central Valley is the world center for almond production.

- Few places on earth constitute prime almond-farming land.
- Urbanization and suburbanization is encroaching on farmland.
- Land values with sustainable water continue to increase.
- Property size, tree age, and water access are critical to an orchard’s success.

FUN FACT

Almond orchards are now much more sustainable. Crawford focuses on newly planted, higher yielding trees with improved irrigation systems that use less water.
Even in otherwise ideal locations for almond-growing, an adequate supply of water can make or break investment value. Understanding water supply is a key to success.

- Overlaying satellite photos of the water table to available orchards is fundamental to our investment process.
- Each property we acquire needs to have two independent sources of water, from surface and ground water supply, and will likely be in an irrigation district.
- In-depth knowledge of water rights enables our team to invest in land with sustainable, secure water supplies.

**FUN FACT**

Best practices and technology have reduced the amount of water it takes to grow an almond by 33% over the past 20 years (CA Almond Board).
Almond Consumption Remains On the Upswing

Over the last 10 years, shipments of California almonds have doubled as a result of increased demand from various sectors.

The growth in almond demand over the last 10 years has resulted in a two-fold increase in shipments of California almonds. Demand for protein continues to increase from the growing middle classes in India and China. Revenue growth in almonds has surpassed grapes, making almonds California’s biggest cash crop and number one crop export.

In 2016-2017, domestic shipments of almonds totaled 676 million pounds, the largest crop on record. Although demand is strongest in the U.S., last year more than two billion pounds of almonds were exported to more than 90 countries.1

Almonds are healthy alternatives for diabetic, gluten-free, dairy-free, vegan and high protein diets, and are an essential tool for sensible weight loss. Special diet needs have fueled rapid growth in non-dairy beverages, particularly almond milk.2

1 “Americans are going nuts for almonds,” the Almond Board, January 19, 2018

Source: USDA, Economic Research Service, Fruit & Tree Nut Situation and Outlook
Source: Nielsen, AOD 52 weeks ending 12/26/15

A Nielsen study found that almond milk sales grew 250% between 2010 and 2016 and is set to grow by 15% CAGR between 2016 and 2020.
Increasing Demand for Global Food Supplies Will Drive Almond Prices

As the world’s population grows and incomes increase across the developing world, the demand for protein-rich food will continue to grow rapidly. The growing middle classes in India and China continue to drive demand for high protein foods such as almonds and almond products. In addition, as a non-meat low fat protein, almonds are coveted by vegetarians, health enthusiasts and global warming conscious consumers.

World population is expected to grow by over a third, or 2.3 billion people, between 2009 and 2050.

Feeding 9.1 billion people in 2050 would require raising overall food production by some 70 percent between 2005/07 and 2050.

Total protein demand will double to 943.5 million metric tons by 2024.

The market for alternative proteins – beyond fish and meat – will grow at 14% annually by 2024.

*Global agriculture towards 2050* Food and Agriculture Organization, 2016.

"Demand for Alternative Proteins Set to Double by 2024," Lux Research, October 26, 2016.
Low Correlation to Traditional Assets

Almond agriculture provides stable returns, upside potential for capital appreciation, and diversification benefits via returns that have very low correlation to traditional assets such as stocks and bonds.

Sun, water, the right soil and climate, are the building blocks required to grow almonds. Demand for these building blocks is only increasing.

These building blocks are not influenced by stock market fluctuations, bond prices or economic indicators. The value of the land used for almond cultivation tends to remain stable through market volatility.

Real estate, as a “hard asset”, can deliver current income and long-term capital appreciation. Almond orchard values generally do not go up and down rapidly in value. As an Alternative Investment, almond orchards tend to change in value independent of the core financial market, such as stocks and bonds.

PRIVATE SECURITIES OFFERINGS MAY HAVE A LONG HOLDING PERIOD, BE ILLIQUID, AND CONTAIN A HIGH DEGREE OF RISK. INVESTORS MUST BE ABLE TO AFFORD THE LOSS OF ALL OF THEIR PRINCIPAL.
A Real Estate Investment without Typical Real Estate Drawbacks

Investing in almond orchards offers many of the benefits of traditional real estate investing — diversification, income and capital appreciation potential — along with some unique advantages.

- Almond farming is good for the environment. Leading growers follow sustainable agricultural practices that enhance the value of the land and support the environment.
- Unlike multi-family apartments or commercial real estate investments, there are no tenants, no rent to collect, no delinquencies, no vacancies and no evictions.
- Almond trees are a long-term appreciating asset. The typical tree grows for 20 to 25 years, increasing its yield and value steadily as it grows. Compare this with an office or industrial property which typically depreciates and requires renovation as it ages.
- Almond farming is labor-efficient. A typical farm has 80 acres and requires only 2-3 people to maintain the property and harvest the almonds.
- We increase long-term gains as we pay down our 15-year mortgage.
Crawford Park Farming AG specializes in sourcing, purchasing, and cultivating nut crops as partnerships with investors, RIAs, family offices, and select institutions. Our team of investment professionals aims to deliver current income of 7% (first returns), long-term capital appreciation, and competitive IRRs to our investors. Our investment selection, farm improvements, and management are designed to maximize consistent returns and long-term appreciation.

Our disciplined process maximizes the chances for success with these steps.

- **FOCUS**
  - We begin our search for investments in California's Central Valley, the worldwide capital for almond production.

- **WATER SUPPLY**
  - We take the map of this limited geographic area and overlay satellite images of the surface water table to find properties that can be adequately irrigated.

- **PRICE**
  - Price is the final consideration, as we seek properties that are attractively valued.

- **SIZE & MATURITY**
  - We look for right-sized projects that have been planted already and have existing professional management, even if we may replace them. Sizing is an important factor, as we typically source properties too large for local farmers and too small for institutional farm managers.

- **SELL DISCIPLINE**
  - We will exit properties when presented with above market offers, and may roll up multiple properties to sell them to institutions, REITs, or industrial farmers. We may also sell when we anticipate a change in circumstance such as water supply or environmental conditions.
ALMONDS+ LLC  
(A Permanent Crops Fund)

Deal Terms

Almonds+ LLC offers a minimum of 10 Units ($5 million) and a maximum of 100 Units ($50 million) of membership interests to accredited investors.

SUBSCRIPTION PRICE:  
$500,000 per Unit

USE OF PROCEEDS:  
Acquisition of California farmland for permanent crops, primarily almonds

MEMBERS’ DISTRIBUTION WATERFALL

Preferred Return of Available Cash Flow in respect to any Crop Year of:
1. six percent (6%) per annum during the period from the date of a Member’s purchase of Units through and including December 31, 2022;
2. seven percent (7%) per annum during the period from January 1, 2023 through and including December 31, 2025; and
3. eight percent (8%) per annum subsequent to December 31, 2025.
4. The Company will add the unpaid Preferred Return to the Members Capital Account if cash flow from operations for any year is not sufficient to pay full amount.

Available Cash Flow from Operations shall be distributed:
First, to the Members until each Member has received their unpaid Preferred Return for all Crop Years; and Thereafter, (i) eighty percent (80%) to the Members and (ii) twenty percent (20%) to the Manager.

Available Cash Flow Resulting from Capital Events shall be distributed:
First, to the Members until each Member has received aggregate distributions equal to their unpaid Preferred Return; Second, to the Members until no Member has any remaining Net Capital Contributions; and Thereafter, (i) eighty percent (80%) to the Members and (ii) twenty percent (20%) to the Manager.

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Crawford Park is led by professionals with many years of hands-on experience who believe strongly in the value of investing in real estate, and who are accessible and investor-friendly.

Mark F. Crawford

Mark has 40 years of experience in Asset-based Investments: Real Estate Brokerage, Construction, Entitlements, Property Valuations, Lending and Ownership. In 2017, four Real Estate LLCs formed by Mark were sold. The average returns were in excess of 20% IRR to the investors. Mark sources the investments, performs the due diligence, evaluates the upside profit potential, and hires the appropriate local managerial staff upon purchase. Mark currently manages $10 million in agricultural properties.

As an Agricultural Business Major, Mark attended California Polytechnic University at San Luis Obispo and Pomona. Mark is a licensed Real Estate broker in California and holds an NMLS license. He lives with his wife, Joanna, in Beverly Hills and on a Cattle and Citrus Ranch near Visalia, CA.

Joanna Crawford

Joanna manages the Operations, Finance, and Compliance functions of Crawford Park and the Investment LLCs. From 2011 to 2017, she managed hundreds of multifamily units with a staff of 35 employees and annual cash flow of $5 million. Those assets were remodeled and retrofitted with cash outlays of $10 million. In 2016, she coordinated the $40 million refinancing of these assets with both bank and government-sponsored entries. Joanna manages the Accounting, tax an daily operations for Investors and the Agricultural & Real Estate Assets.

Prior to 2008, Joanna was an SVP/Compliance with Countrywide Home Loans. During her 14-year tenure, her roles included: HMDA, Fair Lending, and Internal Audit. After college, she practiced public accounting at Price Waterhouse. Joanna has a BBA in Accounting from the University of Texas at Austin and is a CPA. She lives with her husband, Mark, in Beverly Hills and on a cattle and citrus ranch near Visalia, CA.

Jacob Cutler

Jake Cutler is a consultant to Crawford Park Farming. He aids in the research and sourcing of appropriate properties. Jake will assist during the purchase, due diligence, and continuing management of agricultural properties.

Jake worked for 8 years for Prudential Agricultural Investments and was responsible for agricultural mortgage lending in California and Arizona. He currently works for CBRE, a global real estate company.

Jake is the third generation of his family to be involved in California agriculture and is actively involved in multiple family farming operations, specializing in the production of almonds, citrus, olives, kiwi, grapes, and cattle in Fresno, Tulare, and San Mateo Counties, California. He holds BS and MS degrees in Agricultural Economics from the University of California at Davis.

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Invest for Growth with Crawford Park Financial

This opportunity is geared to provide diversification, attractive income, and competitive IRRs. Strong global demand, as well as limits on land supply, appear likely to support these investments over the next several decades. Experienced management can make the most of these opportunities on behalf of investors.

For more information about how to invest in almond farm properties through Crawford Park, please contact Mark Crawford at 310.273.3333 or mark@cpfag.com.