

ORGANIC FARMLAND

DST OFFERING



THE PRUESS FARM

1,102 USDA Certified Organic Acres | Chicot County, Arkansas



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This document contains projections and other forward-looking statements. These statements are not guarantees of future performance. Actual performance and financial results in future periods may differ materially from these projections and/or statements. This document does not constitute an offer to sell a security, or a solicitation of an offer to purchase a security. No money or commitment is being requested at this time. No offer to sell or solicitation of an offer to buy may be made prior to the delivery by the sponsor of definitive documentation relating to a proposed investment (collectively, the “Offering Materials”), including without limitation (1) a Confidential Private Placement Memorandum describing the opportunity and the rights, preferences and obligations attached to the offered securities, (2) a Trust Agreement governing operation of the DST, and (3) a Purchaser Questionnaire and Purchase Agreement governing any formal offer to subscribe for interests in the DST. Offers, commitments and sales will only be made or accepted pursuant to the Offering Materials. The sponsor may accept or reject a prospective investor after review of the signed Offering Materials in its sole and absolute discretion. The Offering Materials shall supersede the information in this document in its entirety.

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EXECUTIVE SUMMARY

Delta Organic Ag Properties DST is bringing the Pruess Farm offering to the Delaware Statutory Trust marketplace through its sponsor entity, DST Farms. The Pruess Farm offering includes 1,102 USDA certified organic acres located in the Mississippi River Delta region of southeast Arkansas. The Pruess Farm organic production system will include rice, soybeans, wheat, and corn. The Farm is operated through a long-term lease with a single master tenant. The offering includes an efficient irrigation system that captures and recycles fresh rainwater to irrigate the crops. The irrigation system also has supplemental ground water wells to provide supplemental irrigation water in dry weather cycles.

The Pruess Farm master tenant is implementing organic farm management practices focused on soil health and long-term sustainability to maximize capital appreciation of the asset. Organic production provides enhanced return potential for investors through organic crop prices that are typically 2-3 times conventional crop prices. On-farm grain storage provides additional opportunities to achieve premium crop prices. The Farm also has a long-term hunting lease to provide additional revenue and investor return.

Since 1990, U.S. farmland has delivered higher returns (yield + capital appreciation) compared to several other asset classes, including public equities and fixed income securities. Furthermore, returns on U.S. farmland have exhibited low to negative correlation with public equities and positive correlation with inflation.

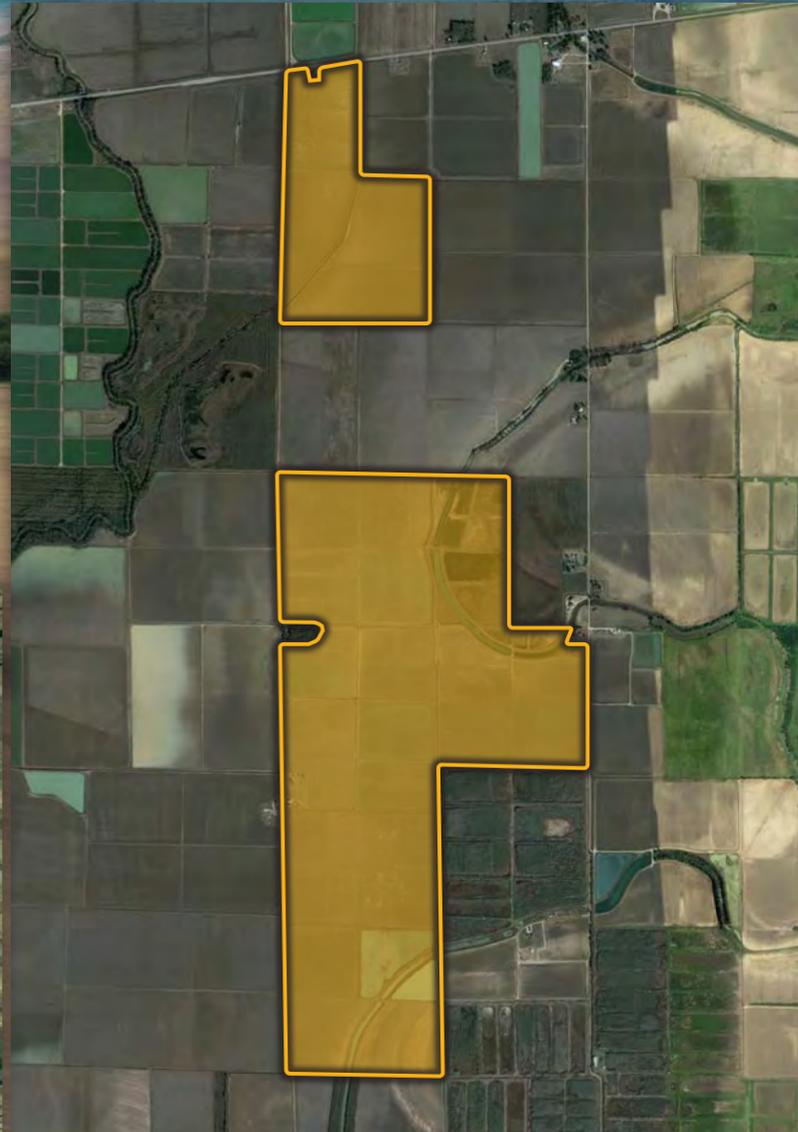
DST Farms and Delta Organic Ag Properties DST is excited to provide 1031 exchange investors with their first opportunity to engage the farmland asset class through the Delaware Statutory Trust marketplace.



PRUESS FARM ASSET OVERVIEW

PRUESS FARM

- » Located in Chicot County, Arkansas
- » 1,102 USDA certified organic acres - completed 3-year certification and entitlement process
- » 867 tillable irrigated acres
- » Primary Crops: corn, rice, soybeans, and wheat
- » Redundant irrigation system
 - Over 100 acres of above ground freshwater storage reservoirs
 - Supplemental groundwater wells
 - Tailwater recovery system for efficient recapture of unused irrigation water
 - Electric power
- » Farm improvements including a house and on-farm grain storage
- » Long-term hunting lease in place
- » Local poultry production providing consistent access to organic fertility sources



PRUESS FARM ASSET OVERVIEW



Map Legend

- Wells
- Relift Pump
- Reservoir
- Main Line

Irrigation System

- » Approximately 117 acres above ground reservoirs providing almost 500 acre-feet of irrigation storage
- » Six ground water wells
- » Electric pumps for reduced cost and emissions
- » Tailwater recovery system to capture and reuse excess surface irrigation water

Arkansas Agriculture

- » Arkansas ranks 1st in the nation in rice production, producing nearly 40% of the nation's rice.
- » The state ranks 5th in the nation in cotton production.
- » Arkansas hosted 64 organically certified farms, operating on 4,871 acres, with \$39.8 million in reported sales.
- » Total value of agricultural products sold in 2017 was \$9,651,160,000.

Chicot County, Arkansas

- » 291 total farms with an average farm size of 1,057 acres compared to the state average farm size of 326 acres.
- » The county consists of 307,498 acres of farmland.
- » Top ten county for producing corn in the State of Arkansas.
- » Total value of agricultural products sold in 2017 was \$148,270,000.

2017 USDA Census of Agriculture



INVESTMENT OVERVIEW

On March 27, 2019, Delta Organic Ag Properties DST (the “DST”) completed the \$5.83MM purchase of the Pruess Farm, having 1,102 USDA certified organic acres and located in Chicot County, Arkansas. The purchase was funded using a combination of non-recourse senior debt in the amount of \$2.9MM from Bank Iowa (4.05% fixed rate, five years interest only, with an adjustable-rate mortgage for an additional five years) and a non-interest bearing seller note, which has since been negotiated to a reduced amount of \$2.5MM. The reduction in the seller note was due to the DST’s direct funding of the seller’s obligation to make certain irrigation improvements and was characterized as an adjustment to the purchase price of the property.

At closing, a reserve account was funded by the seller for the professional management team to fund farm improvements, including approximately \$400,000 for irrigation enhancements, \$250,000 for soil improvement, and funding of reserve accounts for deferred maintenance, capital reserves and farm expenses.

» Purchase Price	\$5,830,500	Asset acquisition price
» Non-Recourse Loan	\$2,915,250	Senior lender; 4.05% fixed, 10-year term, 5-year interest only
» Purchase Price Leverage	50%	Non-recourse (senior lender) leverage used for asset acquisition
» Offering Amount	\$2,650,000	Minimum investment: \$100,000
» Syndicated Value*	\$5,565,250	Offering amount plus non-recourse loan
» Syndicated Leverage	52.4%	Loan as percentage of syndicated value
» 2020 Farm Lease Net Income	\$237,878	Total rental income (includes base cash, soil maintenance, and hunting lease rents), less operating expenses and management fees
» Pro Forma Annual COC Return	3.50%	Annual cash-on-cash return to investors (base rent only), less all fees, debt service, and expenses
» Projected Investment IRR	9.0%	Calculated based on pro forma annual cash yield and 3% annual asset appreciation

*Syndicated Value is a reduction of \$415,250 from Purchase Price as a result of a seller concession to fund irrigation system improvements.

The DST signed a 10-year lease with the Master Tenant, Delta Organic Farm Management, to produce crops, including organic corn, soybeans, rice and wheat on the property’s 867 tillable irrigated acres. The crop production plan has been structured to generate Base Rent annual returns of 3.5% to DST investors. In addition to Base Rent, Bonus Rent returns are projected to increase annual cash flow to investors by an additional 2% to 4.5% in years when crop prices rise and/or as per acre crop production increases. The farm was operated profitably in 2019, which included a federal crop insurance claim for organic corn.

In addition to annual investor income projections, the DST believes that the farm value could increase by 4% to 6% annually over the 7-year targeted term of the investment. This projection is based on standard industry assumptions, including the value created by organic farming practices, which increase per acre crop production over time, as well as the estimated historical 4% average annual increase in farmland values in Arkansas over the past 50 years.

EXAMPLE INVESTOR PRO FORMA

Investment	\$100,000						
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Annual Cash from Base Rent ^(a)	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
Annual COC Return ^(a)	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%
Pro Forma Annual Bonus Rent ^(b)	–	\$1,804	\$2,401	\$3,017	\$3,651	\$4,305	\$4,305
Pro Forma Annual Cash Flow ^(c)	\$3,500	\$5,304	\$5,901	\$6,517	\$7,151	\$7,805	\$7,805
Pro Forma Annual COC Return ^(c)	3.5%	5.3%	5.9%	6.5%	7.2%	7.8%	7.8%
Pro Forma Annual Returns Total ^(c)	\$43,982	7-year annual returns total; includes bonus rent					
Investment Disposition Value ^(d)	\$111,874	Capital return plus capital gains; based on 3% annual appreciation, less disposition fees (AR historical average farmland appreciation is 4% according to USDA NASS)					
Total Projected Distributions ^(d)	\$155,857	Total annual returns plus investment disposition value					
Projected Investment IRR ^(e)	9.0%	Calculated based on pro forma annual cash yield and 3% annual asset appreciation					

(a) Base rent only.

(b) Based on pro forma yield and crop price projections; Annual Bonus Rent equal to 60% of the excess (if any) of the Master Tenant’s Total Operating Income over the Annual Bonus Rent Threshold.

(c) Based on pro forma yield and crop price projections; includes base rent plus bonus rent.

(d) Actual performance and financial results in future periods may differ materially from these projections. Projected investment disposition value after satisfying debt obligations (non-recourse loan plus note from seller), return of capital to investors, and disposition and selling commission fees.

(e) Actual performance and financial results in future periods may differ materially from these projections and are dependent on timing of investment.

BUSINESS STRATEGIES

Delta Organic Ag Properties DST is implementing five primary strategies to create positive and consistent investment outcomes from the Pruess Farm:



BUSINESS STRATEGY | FEDERAL CROP INSURANCE PROGRAM

To protect annual revenue

Crop insurance that guarantees a minimum revenue per acre is readily available in the market at a federally subsidized cost.

INSURABLE CROPS – Irrigated Organic

Crop	Corn	Cotton	Grain Sorghum	Oats	Rice	Soybeans	Wheat
T-Yield bushel per acre	108	1018	55	69	4425	40	33
RMA Crop Price per bushel	\$9.05	\$1.34	\$8.20	\$2.60	\$0.16	\$18.79	\$10.65
Coverage Level	85%	85%	85%	85%	85%	85%	85%
Revenue Guarantee per acre	\$830.79	\$1,159.50	\$383.35	\$152.49	\$605.56	\$638.86	\$298.73

2020 Chicot County Crop Insurance Quote

WHAT IS FEDERAL CROP INSURANCE?

» The United States Department of Agriculture's (USDA) Risk Management Agency (RMA) was created to increase economic stability of agricultural producers and rural communities. RMA oversees the Federal Crop Insurance Corporation (FCIC) to provide farmers and ranchers premium coverage.

» To learn more about RMA visit <https://www.rma.usda.gov/>



BUSINESS STRATEGY | VALUE-ADDED ORGANIC CROP PRODUCTION

To improve farm net income

There are three major advantages of organic vs. conventional farms, which drive higher returns:

1. ORGANIC CROP PRICES

Organic crops typically trade at prices 2-3 times conventional prices, creating opportunities for high cash flow.

2. SOIL HEALTH & PRODUCTIVITY

The goal of organic farms is to constantly build organic matter in the soil and improve soil productivity and health, while promoting resource sustainability.

3. MAJOR ENVIRONMENTAL ADVANTAGES

Growing organic crops reduces non-renewable energy use and generates products with sustainability of land and resources.

U.S. Annual Organic Sales

(Food and non-food, billions of dollars)

Source: Organic Trade Association, 2019 Organic Industry Survey

Carol Ryan Dumas and Alan Kenega/Capital Press



CROP PRICE Comparison

	CORN	RICE	SOYBEANS	WHEAT
ORGANIC	\$9.70	\$13.50	\$19.50	\$9.00
CONVENTIONAL	\$3.80	\$5.49	\$8.35	\$4.26

Average prices per bushel obtained from USDA as of 2019.

BUSINESS STRATEGY | FOCUS ON SUSTAINABILITY

To enhance long-term asset appreciation and access value-added markets for sustainably produced crops



WATER USE EFFICIENCY

- » Tailwater recovery system to maximize use of irrigation water
- » Surface water storage reservoirs to capture natural precipitation for irrigation use
- » Surface water used as primary irrigation source to reduce power use



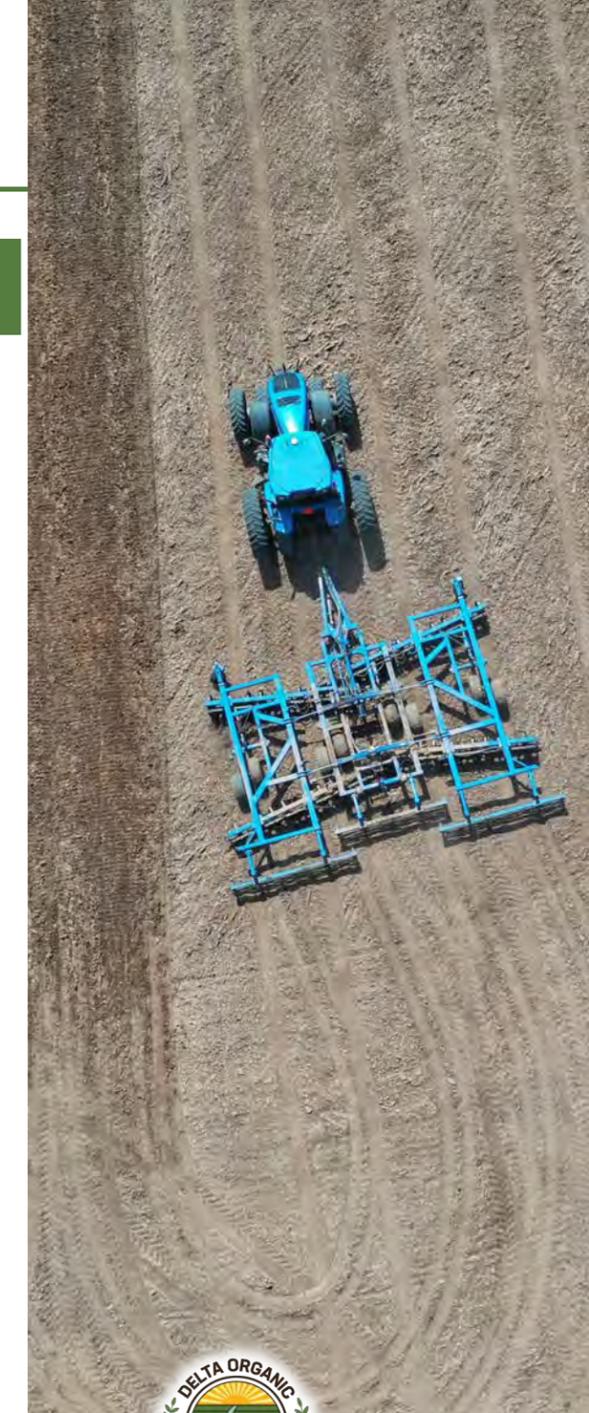
SOIL HEALTH

- » Cover crops supporting natural pest control and year-round soil biology
- » Extended organic crop rotations to improve soil function



ORGANIC INPUTS

- » Poultry litter used as primary fertility source
- » No application of inorganic herbicides, pesticides, or insecticides



BUSINESS STRATEGY | VALUE-ADDED CROP MARKETING

To increase crop value

DIRECTLY ENGAGING ORGANIC FOOD SUPPLY CHAINS:

- » Developing partnerships that reach deeper into the supply chain to connect with consumers
- » Providing consumers information about their food sources through continuous documentation of management and crop production practices



BUSINESS STRATEGY | FARM MANAGEMENT PRACTICE OPTIMIZATION

To maximize crop yield and long-term asset value through optimized farm operations

SOIL HEALTH MANAGEMENT

- » Implement cover crop practices that improve soil organic matter and biological function
- » Extend crop rotations to naturally replace needed soil minerals
- » Utilize organic fertilizers to improve soil structure and biology

TECHNOLOGY IMPLEMENTATION

- » GPS guidance to improve operational efficiency
- » GPS soil testing to optimize production on every acre
- » Advanced data collection systems to improve management decisions



ASSET MANAGEMENT PLAN

Delta Organic Ag Properties DST has developed a long-term asset action plan for the Pruess Farm, comprised of three phases:



FARM ENHANCEMENT ACTIVITIES

To establish fertility and soil function as well as optimal water management

Soil health and management program

Soil samples were scientifically analyzed by agronomist prior to acquisition to determine soil health improvement and optimization plan.

Clean, electric power sources for irrigation

Contracts were established with local power companies to bring electricity to property for lower cost and more environmentally friendly irrigation.

Reusable water reclamation systems and practices

Recently installed tailwater recovery (TWR) system provides state-of-the-art, sustainable irrigation and drainage capabilities.



ASSET MANAGEMENT PLAN



YIELD OPTIMIZATION

To increase annual net income and return to investors

Weed control practices

Organic farming requires the use of mechanical and agronomic methods for managing weed control. During this phase of the asset management, the most effective methods and timing of weed control practices will be measured and identified.

Irrigation system optimization

Each crop will have unique needs for irrigation management. The timing and quantity of water delivered through irrigation will be tested and optimized for each crop.

Organic Fertility

Multiple sources of organic crop fertility are available in the area. This phase will include testing and quantification of fertility sources and application methods on crop productivity and profitability.



ACTIVE MARKETING

To maximize the value of organic crops produced on the Farm

Marketing relationships

A continuous, dedicated effort will be engaged to build relationships in the marketplace, with the goal of creating additional value to the crops produced.

Branding

Consumers' preference for sustainably produced food products will be leveraged through a dedicated branding effort to deliver a sustainable production message associated with crops produced on the Pruess Farm.

Traceability

Leading edge data tools will be used in the farming operations deployed on the Pruess Farm. These tools will provide the ability to convey comprehensive data on the production practices for transparency in the supply chain, generating additional crop value.



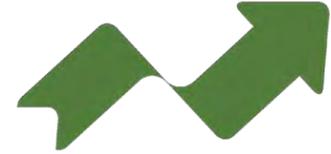
U.S. FARMLAND ASSET CLASS



Farm real estate in the U.S. is valued at \$3.19 trillion as of 2019.¹



U.S. Farmland generates over \$370 billion annually in revenue from commodity cash receipts.¹



Asset class in transition:

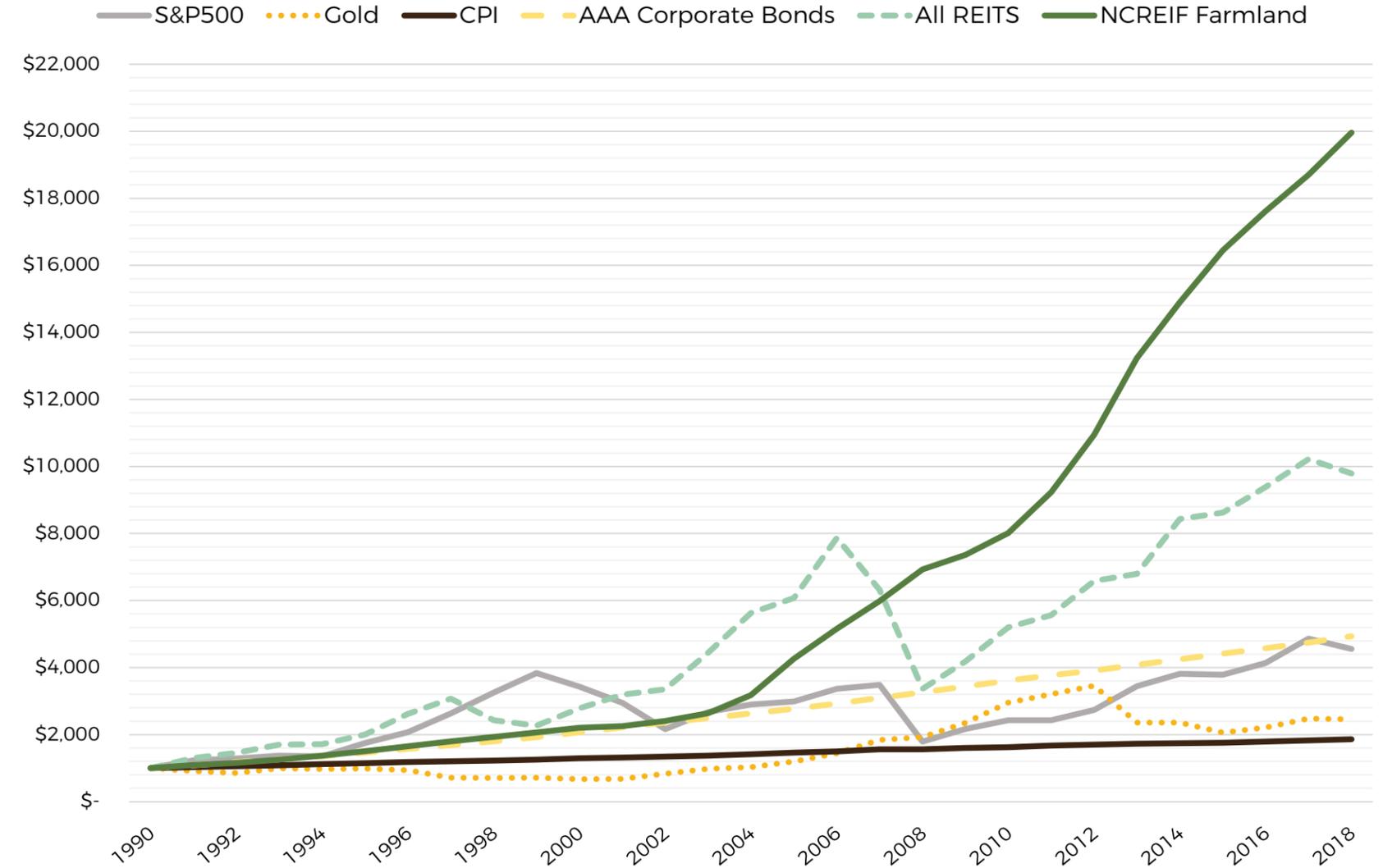
- Shifting consumer preferences
- Technology advancements
- Ownership demographics
- Financialization



Stable asset class that has delivered strong returns over the long term and has exhibited low to negative correlation with other asset classes and positive correlation with inflation

¹USDA-Economic Research Service

U.S. FARMLAND ASSET CLASS | HISTORICAL PERFORMANCE



Appreciated value of a \$1000 dollar investment placed in 1991, without consideration for taxes, dividends, or other distributions.

Data provided from the TIAA Center for Farmland Research, University of Illinois; and National Council of Real Estate Investment Fiduciaries, Total Farmland Returns

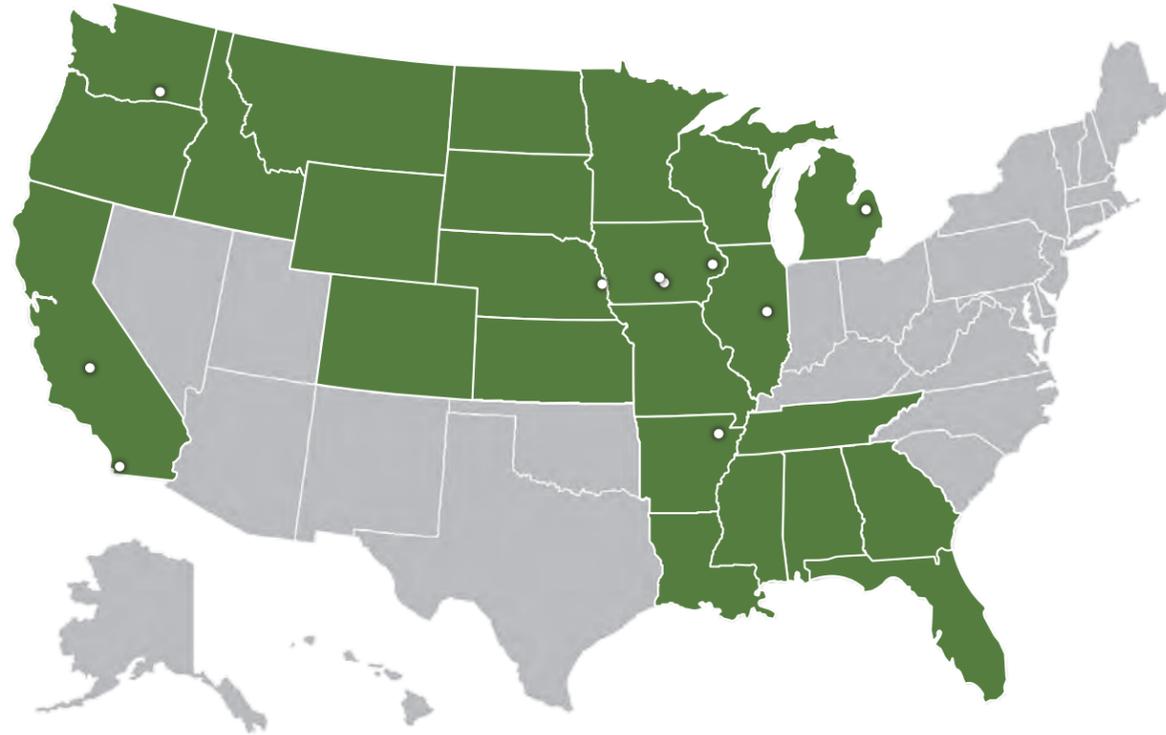




Peoples Company is a nationally recognized land transaction and advisory firm known for providing clients with exceptional service, superior marketing, and extensive industry knowledge.

Peoples Company offers its expertise to DST Farms in:

- » Deal Sourcing
- » Land Investment Analysis and Due Diligence
- » Data Analytics Strategies
- » Execution of High-Quality Farmland Acquisitions
- » Farmland Management, including:
 - Agronomic operations
 - Technology-driven asset business planning
 - Organic and regenerative systems
 - Comprehensive knowledge of organic certification process
 - Partnerships with broad operator networks including organic and permanent crop operators



Peoples Company is one of the few full-service land transaction platforms in the country to have a true national presence in twenty-four states.



Brokerage & Auctions



Land Management



Land Appraisal



Land Investment



DST Farms provides Section 1031 exchange investors with unique opportunities to directly engage the farmland asset class through Delaware Statutory Trust (DST) investment vehicles. As a sponsor entity, DST Farms specializes in identifying high-quality, sustainable farmland, including organic and regenerative systems, that has the potential to deliver above market returns and long-term capital appreciation, while mitigating investment risk. DST Farms has formed a partnership with Peoples Company to support acquisition deal flow, professional farm management, and investment disposition.

DELAWARE STATUTORY TRUST | HOW IT WORKS

A Delaware Statutory Trust (DST) is a single purpose entity that is qualified for Section 1031 real estate exchanges. DST investment vehicles provide investors with an opportunity to 1031 exchange into replacement properties without recognizing taxable gain on the sale of previously owned assets. As part of Section 1031 exchanges, individual investors receive shares in the DST Trust. The property is owned and professionally managed by the DST Trust and is leased triple net to a single Master Tenant. Income can be distributed monthly, quarterly, or annually. When the DST property is sold, any capital distributions to investors remain eligible for subsequent Section 1031 exchanges.





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