



 PROPRIETARY

Gladstone Land eyeing farmland REITs and private portfolios, CEO says

25 APR 2017

Gladstone Land Corporation [NASDAQ:LAND] is interested in acquiring other large real estate investment trusts (REITs) that have agricultural portfolios, CEO David Gladstone told this news service.

While Gladstone Land feels it is already well-acquainted with the market and potential targets, it welcomes approaches from advisors bringing sizable deals to consider, he added, speaking on the sidelines of Global AgInvesting 2017 in New York City last week.

The McLean, Virginia-based company looks at properties as small as USD 6m, but prefers deals as large as USD 100m and would consider acquiring operating REITs valued in the USD 500m range depending on their mix of properties, Gladstone said.

Indianapolis-based **US Agriculture** and South Bend, Indiana-based **Ceres Partners** are two private land investment companies that would interest Gladstone should they come to market, he said. As of September 2016 Ceres Partners had about 90,000 acres of total assets worth USD 527m, according to its website.

Gladstone noted that the company looked at agricultural REIT **American Farmland** during the past year, but decided against the acquisition because some of the properties in its portfolio were not a good fit.

Farmland Partners [NYSE:FPI] acquired American Farmland in February in a stock-only deal. The target had a market capitalization of USD 102m at the time of the transaction.

In January, Gladstone Land acquired 3,750 acres of organic farmland in Florida for USD 54m, and is mostly interested in adding fruits and vegetables, nuts and blueberry farm assets to its portfolio, Gladstone said.

There are few other sizable targets in the space and farmland remains highly fragmented, with 85% of such properties held by individual owners, Gladstone said. Many of those individuals prefer to sell to neighboring farms or have already mortgaged their properties to finance their operations, he explained.

Nevertheless, the CEO said he expects a wave of properties to become available as baby boomers retire.

Gladstone Land owns 59 farms composed of 54,340 acres in seven states valued at approximately USD 455m, according to a press release on 11 April. It has a market capitalization of USD 131m.

The company is one of four public investment vehicles comprising **The Gladstone Companies**, which also include **Gladstone Capital Corporation** [NASDAQ:GLAD], **Gladstone Investment Corporation** [NASDAQ:GAIN] and **Gladstone Commercial Corporation** [NASDAQ:GOOD].

by Nicholas Clayton in New York

Grade: Confirmed

TARGET

[US Agriculture](#)

BIDDERS

[Gladstone Land Corporation](#)

TARGET

[Ceres Partners](#)

BIDDERS

[Gladstone Land Corporation](#)

OTHERS

[Farmland Partners Inc.](#)

[American Farmland Company](#)

Countries

USA

States

Virginia (VA)

Sectors

Agriculture

Real Estate

Sub-Sectors

Animal husbandry

Crop cultivation

Fishing

Forestry

Real estate

Topics

Advisory Invitation (Bankers, Other)

Bolt on/Opportunistic

Large/Transformational Acquisitions

Intelligence ID: 2423282

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