



FPI
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NYSE

Q1 2017 Supplemental Package

Farmland Partners Inc. (NYSE: FPI) is an internally managed, publicly traded real estate company that owns and seeks to acquire high-quality farmland throughout North America addressing the global demand for food, feed, fiber and fuel.



(\$ in thousands, except per share metrics)

Capitalization	3 /31/17	3/31/16
Common shares	32,448,311	12,500,221
OP units	6,702,320	6,358,091
Fully diluted shares	39,150,631	18,858,312
Equity market capitalization	\$437,313	\$202,350
Preferred equity ¹	\$117,877	\$117,283
Total debt outstanding, net	\$436,684	\$289,604
Total capitalization	\$991,874	\$609,237
Share price	\$11.17	\$10.73
Dividend yield	4.6%	4.8%

Financial Highlights	1Q17	1Q16
Revenues	\$7,150	\$4,692
NOI ²	\$5,347	\$4,252
Adjusted EBITDA	\$3,956	\$2,585
Fully diluted net income (loss) per share	(\$0.10)	(\$0.15)
Fully diluted AFFO per share	\$0.01	\$0.04
Annual dividends per share	\$0.51	\$0.51

Balance Sheet Highlights	3/31/17	3/31/16
Net debt to gross assets	44.4%	45.0%
Net debt to total capitalization	43.4%	41.7%
Fixed debt	77.7%	68.3%
Floating debt	22.3%	31.7%
Net debt to Adjusted EBITDA	27.2x	24.6x

1) Preferred OP units have 10-year term and are callable after 5 years at which point the preferred OP units are convertible into either common shares or cash, based on then current stock price, at FPI's option.

2) For definition and reconciliation of net operating income, refer to page 15 of the supplemental, "Definitions and Reconciliations".

(\$ in thousands, except per share metrics)

	March 31, 2017	December 31, 2016
ASSETS		
Land, at cost	\$ 822,189	\$ 551,392
Grain facilities	8,518	6,856
Groundwater	12,072	11,933
Irrigation improvements	45,398	15,988
Drainage improvements	5,907	4,757
Permanent plantings	51,663	1,845
Other	6,564	2,901
Construction in progress	5,241	1,615
Real estate, at cost ¹	957,552	597,287
Less accumulated depreciation	(4,555)	(3,224)
Total real estate, net	952,997	594,063
Deposits	333	5,721
Cash	6,363	47,166
Notes and interest receivable, net	4,247	2,843
Deferred offering costs	276	216
Deferred financing fees, net	413	—
Accounts receivable, net	2,960	4,181
Inventory	198	283
Prepaid and other assets	3,480	1,056
TOTAL ASSETS	\$ 971,267	\$ 655,529
LIABILITIES AND EQUITY		
LIABILITIES		
Mortgage notes, line of credit and bonds payable, net	\$ 436,684	\$ 308,779
Dividends payable	4,991	2,938
Accrued interest	1,876	1,538
Accrued property taxes	1,410	1,225
Deferred revenue	13,914	982
Accrued expenses	5,245	4,558
Total liabilities	\$ 464,120	\$ 320,020
Redeemable non-controlling interests in operating partnership, preferred units	117,877	119,915
EQUITY		
Common stock, \$0.01 par value, 500,000,000 shares authorized; 32,448,311 shares issued and outstanding at March 31, 2017, and 17,351,446 shares issued and outstanding at December 31, 2016	321	172
Additional paid in capital	338,732	172,100
Retained earnings	1,599	4,103
Cumulative dividends	(18,610)	(14,473)
Non-controlling interests in operating partnership	67,228	53,692
Total equity	389,270	215,594
TOTAL LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS IN OPERATING PARTNERSHIP AND EQUITY	\$ 971,267	\$ 655,529

1) IPO properties carried on balance sheet at \$38.1 million, based on pre-IPO purchase price as paid by the predecessor. Implied purchase price of IPO portfolio (i.e., debt assumed at IPO and value of OP units issued based on IPO price per share) totals \$70.1 million.

(\$ in thousands, except per share metrics)

	For the Three Months Ended March 31,	
	2017	2016
OPERATING REVENUES:		
Rental income	\$6,803	\$4,417
Tenant reimbursements	104	69
Other revenue	243	206
Total operating revenues	7,150	4,692
OPERATING EXPENSES		
Depreciation, depletion, and other amortization	1,487	317
Property operating expenses	1,803	440
Acquisition and due diligence costs	515	57
General and administrative expenses	2,081	1,526
Legal and accounting	399	367
Other operating expenses	157	89
Total operating expenses	6,442	2,796
OPERATING INCOME	708	1,896
OTHER (INCOME) EXPENSE:		
Other income	(6)	(28)
Interest expense	2,715	3,854
Total other expense	2,709	3,826
Net loss before income tax expense	(2,001)	(1,930)
Income tax expense	—	—
NET LOSS	(2,001)	(1,930)
Net loss attributable to non-controlling interests in operating partnership	375	475
Net loss attributable to redeemable non-controlling interests in operating partnership	—	101
Net loss attributable to the Company	(1,626)	(1,354)
Nonforfeitable distributions allocated to unvested restricted shares	(43)	(30)
Distributions on redeemable non-controlling interests in operating partnership, common units	—	(113)
Distributions on redeemable non-controlling interests in operating partnership, preferred units	(878)	(283)
Net loss available to common stockholders of Farmland Partners Inc.	(2,547)	(1,780)
Basic and diluted per common share data:		
Basic net loss available to common stockholders	(\$0.10)	(\$0.15)
Diluted net loss available to common stockholders	(\$0.10)	(\$0.15)
Basic weighted average common shares outstanding	26,699	11,834
Diluted weighted average common shares outstanding	26,699	11,834
Dividends declared per common share	\$0.1275	\$0.1275

(in thousands except per share amounts)

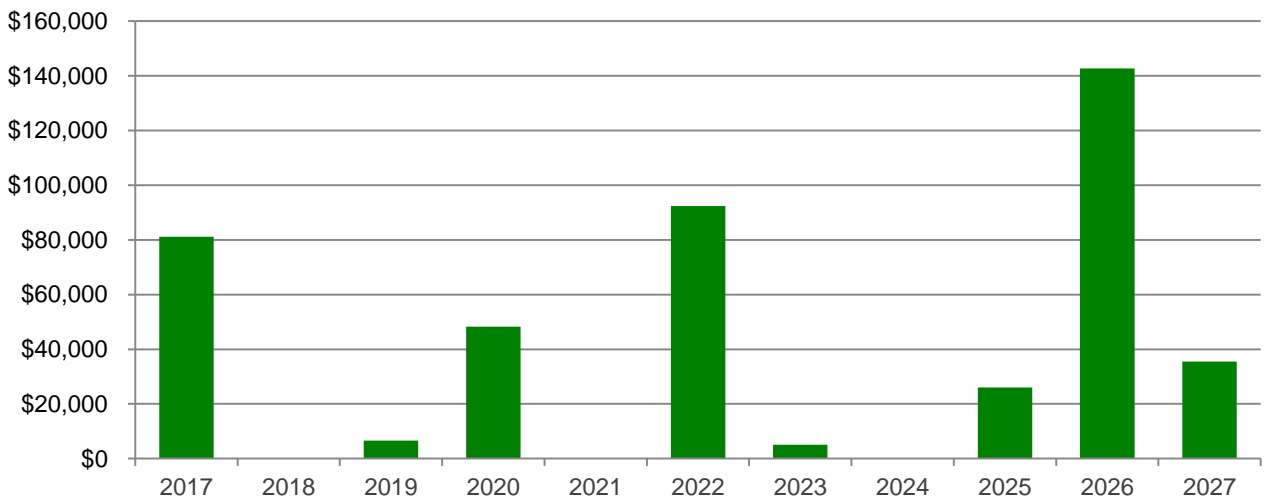
	For the three months ended March 31,	
	2017	2016
Net loss	\$ (2,001)	\$ (1,930)
Depreciation and depletion	1,487	317
FFO	<u>\$ (514)</u>	<u>\$ (1,613)</u>
Stock based compensation	428	243
Indirect equity offering costs	—	24
Real estate related acquisition and due diligence costs	1,327	2,371
Distributions on Preferred units	(878)	(283)
AFFO	<u>\$ 363</u>	<u>\$ 742</u>
AFFO per diluted weighted average share data:		
AFFO weighted average common shares	33,197	17,030
Net loss per share available to common stockholders	\$ (0.10)	\$ (0.15)
Income available to redeemable non-controlling interest and non-controlling interest in operating partnership	0.05	0.04
Depreciation and depletion	0.04	0.02
Stock based compensation	0.01	0.01
Indirect equity offering costs	—	—
Real estate related acquisition and due diligence costs	0.04	0.14
Distributions on Preferred units	(0.03)	(0.02)
AFFO per diluted weighted average share	<u>\$ 0.01</u>	<u>\$ 0.04</u>

Debt Structure

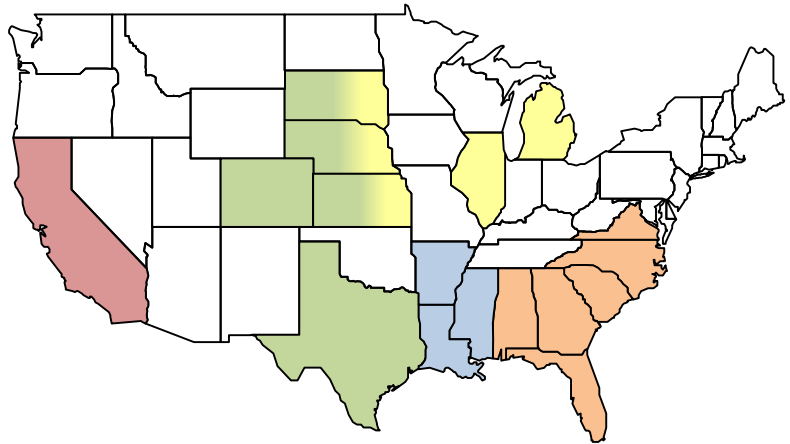
Type	Total Outstanding Principal	% of Total	Weighted Average Term	Weighted Average Interest Rate	Weighted Average Interest Rate Duration (Years)
Fixed	\$340,297	77.7%	6.0	2.48%	2.4
Floating	\$97,483	22.3%	4.8	2.27%	0.2
Total	\$437,780	100.0%	5.8	2.91%	1.9

Debt Maturity Schedule

Year	Balance	% of Total	Weighted Average Interest Rate
2017	\$81,100	19%	2.49%
2018	\$0	0%	0.00%
2019	\$6,600	2%	3.20%
2020	\$48,300	11%	3.22%
2021	\$0	0%	0.00%
2022	\$92,381	21%	2.25%
2023	\$5,102	1%	2.56%
2024	\$0	0%	0.00%
2025	\$26,075	6%	3.69%
2026	\$142,685	33%	3.27%
2027	\$35,537	8%	3.22%
Total	\$437,780	100%	2.91%

Debt Maturities by Year


Region	% of Total Cost Basis
Corn Belt	42%
West Coast	19%
Southeast	19%
Delta + South	11%
High Plains	8%



Region	% of 2017E Rental Revenue ¹
Corn Belt	32%
West Coast	29%
Southeast	20%
Delta + South	10%
High Plains	9%

Region	% of Tillable Acreage
Corn Belt	33%
West Coast	4%
Southeast	23%
Delta + South	19%
High Plains	21%

Crop Type	% of 2017E Rental Revenues ¹
Row Crops	67%
Specialty & Permanent Crops	33%

	% of 2017E Rental Revenues ¹
Fixed	82%
Variable	18%

1) Based on the midpoint of the Company's 2017 rental revenue guidance. Refer to page 9 of the supplemental, "2017 Outlook".

(\$ in thousands)

LTM Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	14,247	\$105,049
Delta + South	3,191	12,496
High Plains	3,439	15,264
Southeast	15,291	72,000
West Coast	6,472	189,556
Total	42,640	\$394,364

2017 1Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	13,865	\$101,764
Delta + South	1,445	6,123
High Plains	1,238	5,855
Southeast	11,337	57,176
West Coast	6,472	189,556
Total	34,357	\$360,473

2016 4Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	95	\$563
Delta + South	1,122	4,066
Total	1,217	\$4,629

2016 3Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	7	\$120
High Plains	300	5,849
Southeast	3,137	11,761
Total	3,444	\$17,730

2016 2Q Acquisition Activity, at Cost

	Total Acres	Purchase Price
Corn Belt	280	\$2,602
Delta + South	624	2,307
High Plains	1,901	3,560
Southeast	817	3,063
Total	3,622	\$11,532

(in thousands, except per share metrics)

	Low	High
REVENUE		
Base rental income	\$31,500	\$32,000
Participation income	7,500	8,500
Other revenue	3,000	3,000
Total revenues	\$42,000	\$43,500
EXPENSES		
Property operating expenses ¹	\$5,000	\$6,000
General and administrative ²	7,000	8,000
Legal and accounting ¹	1,500	1,750
Interest	13,500	14,000
Preferred dividends	3,510	3,510
PER SHARE DATA		
Weighted average shares outstanding	37,500	38,000
AFFO per share	\$0.33	\$0.37

1) Includes Real estate related acquisition and due diligence costs which are added back for AFFO purposes. For definition of AFFO, refer to page 13 of the supplemental, "Definitions and Reconciliations".

2) Includes Stock based compensation costs which are added back for AFFO purposes. For definition of AFFO, refer to page 13 of the supplemental, "Definitions and Reconciliations".

Gross Gap Rate Guidance

Region	% of 2017E Rental Revenues ¹	Market Cap Rate Based on Gross Rental Income	Intra-Regional Variation (+ / -)
Corn Belt	32%	3.00%	0.50%
West Coast	29%	6.00%	1.00%
Southeast	20%	4.40%	0.50%
Delta + South	10%	3.75%	0.50%
High Plains	9%	4.00%	0.75%
Weighted Average		4.32%	

Key NAV Components

(\$ and shares in thousands)

	Low End of 2017 Guidance	High End of 2017 Guidance
Total rental income	\$42,000	\$43,500
Loan interest income	(317)	(317)
Other revenue	(220)	(220)

Selected Balance Sheet Information	Three Months Ended 3/31/17
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Other tangible assets

Development assets not in service ²	15,730
Construction in progress	5,241
Cash and cash equivalents	6,363
Deposits	333
Notes and interest receivable, net	4,247
Accounts receivable, net	2,960
Inventory	198
Prepaid and other assets	3,480
Total liabilities	464,120
Preferred equity	117,877
Mark-to-market adjustment for preferred equity ³	(11,444)
Net preferred equity	106,433
Weighted Average Shares Outstanding	37,750

1) Based on the midpoint of the Company's 2017 rental revenue guidance. Refer to page 9 of the supplemental, "2017 Outlook".

2) Includes portions of certain properties the Company is developing for future leasing.

3) Assumes market coupon for Company's preferred equity is currently 4.50% versus the 3.00% coupon in place.

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ABOUT US

Farmland Partners Inc. (NYSE: FPI) is a publicly traded real estate investment trust (REIT) that manages and seeks to acquire both high-quality farmland and land with excellent agricultural development potential located throughout North America. The company was founded by farmers, and its management team has hands-on farm operations experience. One of our primary goals is to align ourselves with top-quality operators in various parts of the United States in an effort to build a diverse portfolio of agricultural assets across the spectrum of crops. This diversification, combined with stable rental income generation and potential value appreciation, provides an attractive risk-adjusted return over time.

MANAGEMENT

Paul A. Pittman

Executive Chairman and Chief Executive Officer

Luca Fabbri

Chief Financial Officer and Treasurer

David Ronco, CFA

VP of Capital Markets

Clay Stockett

Investor Relations Manager

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Non-GAAP Financial Measures

The Company considers the following non-GAAP measures as useful to investors as key supplemental measures of its performance: FFO, AFFO, EBITDA and Adjusted EBITDA. These non-GAAP financial measures should be considered along with, but not as alternatives to, net income or loss as a measure of the Company's operating performance. FFO, AFFO, EBITDA and Adjusted EBITDA, as calculated by the Company, may not be comparable to other companies that do not define such terms exactly as the Company.

FFO

The Company calculates FFO in accordance with the standards established by the National Association of Real Estate Investment Trusts, or NAREIT. NAREIT defines FFO as net income (loss) (calculated in accordance with GAAP), excluding gains (or losses) from sales of depreciable operating property, plus real estate related depreciation, depletion and amortization (excluding amortization of deferred financing costs), and after adjustments for unconsolidated partnerships and joint ventures. Management presents FFO as a supplemental performance measure because it believes that FFO is beneficial to investors as a starting point in measuring the Company's operational performance. Specifically, in excluding real estate related depreciation and amortization and gains and losses from sales of depreciable operating properties, which do not relate to or are not indicative of operating performance, FFO provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating costs. The Company also believes that, as a widely recognized measure of the performance of REITs, FFO will be used by investors as a basis to compare the Company's operating performance with that of other REITs. However, other equity REITs may not calculate FFO in accordance with the NAREIT definition as the Company does, and, accordingly, the Company's FFO may not be comparable to such other REITs' FFO.

AFFO

The Company calculates AFFO by adjusting FFO to exclude the income and expenses that the Company believes are not reflective of the sustainability of the Company's ongoing operating performance, including, but not limited to, real estate related acquisition and due diligence costs and stock-based compensation. For this quarter, excluded expenses include the payments related to the Prudential Sub-Advisory Agreement and corresponding termination payment as well as acquisition and due diligence costs in connection with the closing of the AFCO merger.

Changes in GAAP accounting and reporting rules that were put in effect after the establishment of NAREIT's definition of FFO in 1999 result in the inclusion of a number of items in FFO that do not correlate with the sustainability of the Company's operating performance. Therefore, in addition to FFO, the Company presents AFFO and AFFO per share, fully diluted, both of which are non-GAAP measures. Management considers AFFO a useful supplemental performance metric for investors as it is more indicative of the Company's operational performance than FFO. AFFO is not intended to represent cash flow or liquidity for the period, and is only intended to provide an additional measure of the Company's operating performance. Even AFFO, however, does not properly capture the timing of cash receipts, especially in connection with full-year rent payments under lease agreements entered into in connection with newly acquired farms. Management considers AFFO per share, fully diluted to be a supplemental metric to GAAP earnings per share. AFFO per share, fully diluted provides additional insight into how the Company's operating performance could be allocated to potential shares outstanding at a specific point in time. Management believes that AFFO is a widely recognized measure of the operations of REITs, and presenting AFFO will enable investors to assess the Company's performance in comparison to other REITs. However, other REITs may use different methodologies for calculating AFFO and AFFO per share, fully diluted and, accordingly, the Company's AFFO and AFFO per share, fully diluted may not always be comparable to AFFO and AFFO per share amounts calculated by other REITs. AFFO and AFFO per share, fully diluted should not be considered as an alternative to net income (loss) or earnings per share (determined in accordance with GAAP) as an indication of financial performance, or as an alternative to net income (loss) earnings per share (determined in accordance with GAAP) as a measure of the Company's liquidity, nor are they indicative of funds available to fund the Company's cash needs, including its ability to make distributions.

EBITDA and Adjusted EBITDA

Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") is a key financial measure used to evaluate the Company's operating performance but should not be construed as an alternative to operating income, cash flows from operating activities or net income, in each case as determined in accordance with GAAP. The Company believes that EBITDA is a standard performance measure commonly reported and widely used by analysts and investors in the Company's industry. However, while EBITDA is a performance measure widely used across several industries, the Company does not believe that it correctly captures the Company's business operating performance because it includes non-cash expenses and recurring adjustments that are necessary to better understand the Company's business operating performance. Therefore, in addition to EBITDA, management uses Adjusted EBITDA, a non-GAAP measure.

The Company calculates Adjusted EBITDA by adjusting EBITDA for certain items such as stock-based compensation and real estate related acquisition and due diligence costs that the Company considers necessary to understand its operating performance. The Company believes that Adjusted EBITDA provides useful supplemental information to investors regarding the Company's ongoing operating performance that, when considered with net income and EBITDA, is beneficial to an investor's understanding of the Company's operating performance. However, EBITDA and Adjusted EBITDA have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of the Company's results as reported under GAAP.

<i>(in thousands)</i>	For the three months ended March 31,	
	2017	2016
Net loss	\$ (2,001)	\$ (1,930)
Interest expense	2,715	3,854
Income tax expense	—	—
Depreciation and depletion	1,487	317
EBITDA	<u>\$ 2,201</u>	<u>\$ 2,241</u>
Stock-based compensation	428	243
Indirect equity offering costs	—	24
Real estate related acquisition and due diligence costs	1,327	77
Adjusted EBITDA	<u>\$ 3,956</u>	<u>\$ 2,585</u>

Net Operating Income

The Company calculates net operating income as total operating revenues (rental income, tenant reimbursements and other revenue) less property operating expenses (property expenses and real estate taxes). Since NOI excludes general and administrative expenses, interest expense, depreciation and amortization, acquisition-related expenses, other non-property income and losses and extraordinary items, it provides a performance measure that, when compared year over year, reflects the revenues and expenses directly associated with owning and operating farmland real estate, providing a perspective on operations not immediately apparent from net income. However, net operating income should not be viewed as an alternative measure of our financial performance since it does not reflect general and administrative expenses, interest expense, depreciation and amortization costs, other non-property income and losses.

(in thousands except per share amounts)

	For the three months ended March 31,	
	2017	2016
Total operating revenues	\$ 7,150	\$ 4,692
Property operating expenses	1,803	440
Net operating income	\$ 5,347	\$ 4,252