



FOR IMMEDIATE RELEASE:

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Second Quarter Returns Decline

CHICAGO, IL, July 21, 2014 – The National Council of Real Estate Investment Fiduciaries (NCREIF) has released the second quarter 2014 results of the NCREIF Farmland Index. The total return for the quarter was 1.73%, comprised of 0.78% appreciation and 0.95% income return. This was below second quarter 2013's 1.97% and first quarter 2014's 2.41% total return.

This is the lowest quarterly return since second quarter 2011. It is also below the long-term average total return over the history of the index, 2.88%, and the long-term second quarter average, 2.26%. The 0.95% income return is an improvement from first quarter, but the second smallest since first quarter 2010.

The trailing four quarter total return continued to decline, falling from 17.44% to 17.17%. That is the lowest total return over a four quarter period since first quarter 2012. The split on the trailing four quarter return was identical, 8.37% for appreciation and income. The four quarter rolling return from a year ago was 20.03%.

Historically, annual cropland has outperformed permanent cropland in the second quarter. However, that trend has recently reversed with permanent cropland outperforming annual the last three second quarters. In the quarter, permanent cropland returned 2.15% split 1.06% appreciation and 1.09% income. That is the lowest quarterly return for permanent crops since third quarter 2012.

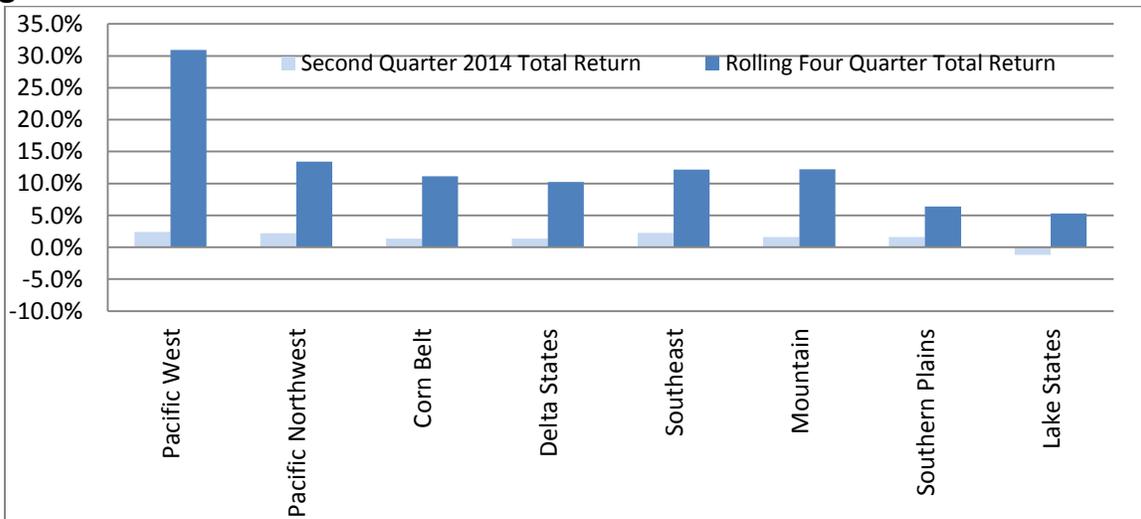
The Pacific West was the best performing region with a total return of 2.41%. This return exceeded the Pacific West's 2.22% and the Southeast's 2.23%. The West's return was split 1.72% appreciation and 0.69% income. The region's return was balanced with annual crops returning 2.84% and permanent crops 2.24%. On a rolling four quarter basis, the Pacific West's 30.92% was more than double the next closest region, Pacific Northwest.

The Lake States were the worst performing region for the quarter and the only one with a negative return, (1.18%). The region had (1.81%) appreciation, its largest drop since second quarter 2011. The Southeast also had negative appreciation, (2.41%), but strong income kept the total return positive. On a rolling four quarter basis, the Lake States had the lowest total return, 5.30%.

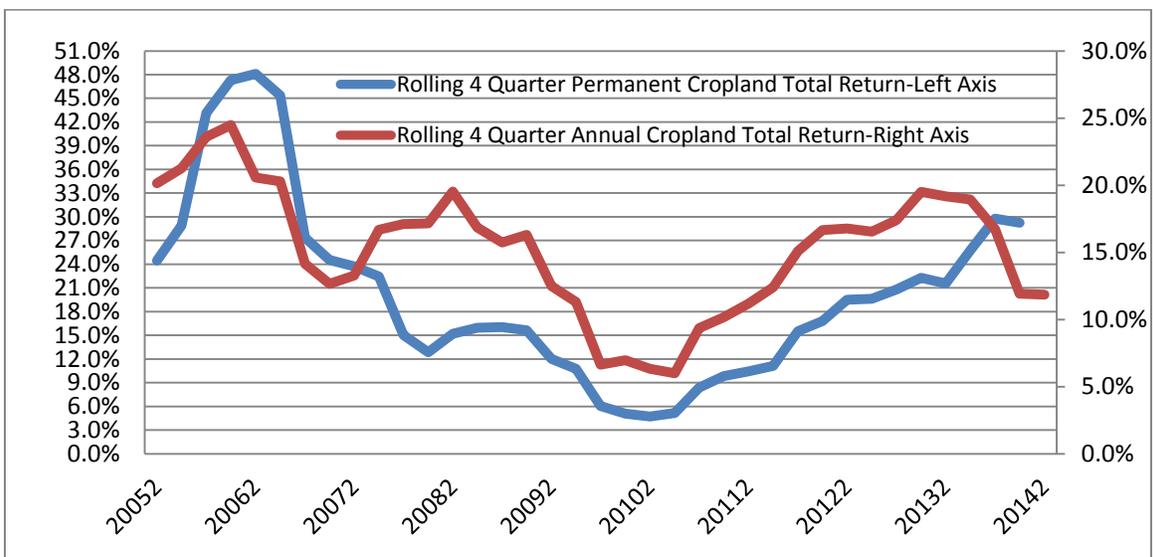
Christopher Jay, Chairman of the NCREIF Farmland Committee and Director of Financial Analysis with Prudential Agricultural Investments, noted that: "Both the income and appreciation returns for the Farmland Index in second quarter were lower than the second quarter returns from a year ago. However, the one-year total return is strong at 17.12%. There continues to be strong interest from institutional investors as well as local farmers on property that comes up for sale."

The NCREIF Farmland Index consists of 539 investment-grade farm properties; comprised of 395 annual cropland properties and 144 permanent farmland properties. The index includes 170 properties in the Corn Belt, 122 in the Pacific West, 66 in the Delta States, 54 in the Pacific Northwest, 46 in the Mountain States, 35 in the Lake States, 23 in the Southern Plains and 23 in the Southeast.

Regional Performance



Rolling Four Quarter Income Returns



Webinar

NCREIF will hold a webinar on Wednesday, August 6, at 1 pm Central Time to discuss an overview of the NCREIF Property Index (NPI) and the NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE), the Farmland and Timberland Indices, as well as a detailed discussion of the results and interesting data from the NCREIF Property Value Trends report. The conference call is being webcast live and can be accessed [here](#). An online replay of the webcast will be available on NCREIF's website at www.NCREIF.org.

The National Council of Real Estate Investment Fiduciaries (NCREIF) is an association of professionals with significant involvement and interest in pension fund real estate investments who come together to address vital industry issues and to promote research on the asset class.

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