UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2015

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM _________ TO _________

COMMISSION FILE NUMBER: 001-35795

GLADSTONE LAND CORPORATION
(Exact name of registrant as specified in its charter)

MARYLAND **(State or other jurisdiction of incorporation or organization)**	**54-1892552** **(I.R.S. Employer Identification No.)**
1521 WESTBRANCH DRIVE, SUITE 100 **MCLEAN, VIRGINIA** **(Address of principal executive offices)**	**22102** **(Zip Code)**

(703) 287-5800
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

(Check one):

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒.

The number of shares of the registrant's Common Stock, $0.001 par value per share, outstanding as of August, 4, 2015, was 9,060,314.

GLADSTONE LAND CORPORATION

FORM 10-Q FOR THE QUARTER ENDED
JUNE 30, 2015

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PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	June 30, 2015	December 31, 2014
ASSETS		
Real estate, at cost	$185,973,252	$ 148,371,478
Less: accumulated depreciation	(5,482,928)	(4,431,290)
Total real estate, net	180,490,324	143,940,188
Lease intangibles, net	2,069,351	1,317,575
Cash and cash equivalents	3,158,707	2,619,342
Restricted cash	—	132,741
Deferred financing costs, net	1,142,051	1,039,714
Deferred offering costs	133,770	248,731
Other assets	2,221,471	2,404,333
TOTAL ASSETS	$189,215,674	$ 151,702,624
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Mortgage notes and bonds payable	$107,661,166	$ 82,417,361
Borrowings under line of credit	2,800,000	4,000,000
Accounts payable and accrued expenses	2,882,542	1,925,251
Due to related parties(1)	630,618	471,101
Other liabilities	3,341,176	2,919,583
TOTAL LIABILITIES	117,315,502	91,733,296
Commitments and contingencies(2)		
STOCKHOLDERS' EQUITY		
Common stock, $0.001 par value; 20,000,000 shares authorized; 9,060,314 and 7,753,717 shares issued and outstanding as of June 30, 2015, and December 31, 2014, respectively	9,061	7,754
Additional paid in capital	79,148,411	65,366,309
Distributions in excess of earnings	(7,257,300)	(5,404,735)
TOTAL STOCKHOLDERS' EQUITY	71,900,172	59,969,328
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$189,215,674	$ 151,702,624

(1) Refer to Note 4, "Related-Party Transactions," for additional information.
(2) Refer to Note 7, "Commitments and Contingencies," for additional information.

The accompanying notes are an integral part of these consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2014	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
OPERATING REVENUES:				
Rental revenue	$ 2,780,456	$ 1,561,291	$ 5,402,783	$ 3,056,927
Tenant recovery revenue	3,397	4,644	6,794	4,644
Total operating revenues	2,783,853	1,565,935	5,409,577	3,061,571
OPERATING EXPENSES:				
Depreciation and amortization	711,803	330,486	1,503,435	618,517
Management fee(1)	328,392	236,531	624,140	477,495
Administration fee(1)	177,852	65,047	308,788	131,205
Professional fees	84,135	110,605	251,043	289,592
Acquisition-related expenses	178,016	177,334	348,697	220,746
Property operating expenses	156,405	81,480	362,170	147,065
General and administrative expenses	252,579	206,975	483,025	424,290
Operating expenses before credits from Adviser	1,889,182	1,208,458	3,881,298	2,308,910
Credits to fees from Adviser(1)	—	—	(320,905)	—
Total operating expenses, net of credits to fees	1,889,182	1,208,458	3,560,393	2,308,910
OPERATING INCOME	894,671	357,477	1,849,184	752,661
OTHER INCOME (EXPENSE):				
Interest and other income	1,593	4,327	21,023	10,724
Interest expense	(947,362)	(405,797)	(1,896,731)	(779,837)
Property and casualty recovery (loss), net	20,809	(250,478)	20,809	(250,478)
Total other expense	(924,960)	(651,948)	(1,854,899)	(1,019,591)
Net loss before income taxes	(30,289)	(294,471)	(5,715)	(266,930)
Income tax provision	—	(6,623)	—	(13,246)
NET LOSS	$ (30,289)	$ (301,094)	$ (5,715)	$ (280,176)
LOSS PER COMMON SHARE:				
Basic and diluted	$ (0.00)	$ (0.05)	$ (0.00)	$ (0.04)
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING - basic and diluted	8,439,855	6,530,264	8,098,681	6,530,264

(1) Refer to Note 4, "Related-Party Transactions," for additional information.

The accompanying notes are an integral part of these consolidated financial statements.

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GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(UNAUDITED)

	Common Stock				
	Number of Shares	Par Value	Additional Paid-in Capital	Distributions in Excess of Earnings	Total Stockholders' Equity
Balance at December 31, 2013	**6,530,264**	**$ 6,530**	**$ 51,326,262**	**$(2,820,800)**	**$48,511,992**
Net loss	—	—	—	(125,133)	(125,133)
Proceeds from issuance of common stock, net	1,223,453	1,224	14,040,047	—	14,041,271
Distributions	—	—	—	(2,458,802)	(2,458,802)
Balance at December 31, 2014	**7,753,717**	**$ 7,754**	**$ 65,366,309**	**$(5,404,735)**	**$59,969,328**
Net loss	—	—	—	(5,715)	(5,715)
Proceeds from issuance of common stock, net	1,306,597	1,307	13,782,102	—	13,783,409
Distributions	—	—	—	(1,846,850)	(1,846,850)
Balance at June 30, 2015	**9,060,314**	**$ 9,061**	**$ 79,148,411**	**$(7,257,300)**	**$71,900,172**

The accompanying notes are an integral part of these consolidated financial statements.

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GLADSTONE LAND CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Six Months Ended June 30, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (5,715)	$ (280,176)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	1,503,435	618,517
Amortization of deferred financing costs	43,927	20,013
Amortization of deferred rent assets and liabilities, net	(125,739)	(60,971)
Property and casualty (recovery) loss, net	(20,809)	250,478
Changes in operating assets and liabilities:		
Other assets	22,071	81,945
Accounts payable, accrued expenses, and due to related parties	330,717	(405,464)
Other liabilities	(141,877)	512,893
Net cash provided by operating activities	1,606,010	737,235
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of new real estate	(35,279,105)	(11,161,635)
Capital expenditures on existing real estate	(1,589,150)	(1,221,664)
Decrease (increase) in restricted cash	132,741	(1,488)
Deposits applied against real estate investments	(550,000)	(200,000)
Deposits refunded	100,000	50,000
Insurance proceeds received capitalized as real estate additions	20,809	—
Net cash used in investing activities	(37,164,705)	(12,534,787)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of equity	14,895,206	—
Offering costs	(877,768)	(124,972)
Borrowings from mortgage notes payable	25,450,280	—
Repayments on mortgage note payable	(206,475)	(1,722,167)
Borrowings from line of credit	12,900,000	9,900,000
Repayments on line of credit	(14,100,000)	(7,000,000)
Payment of financing fees	(116,333)	(521,553)
Distributions paid	(1,846,850)	(1,175,447)
Net cash provided by (used in) financing activities	36,098,060	(644,139)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	539,365	(12,441,691)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,619,342	16,271,282
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 3,158,707	$ 3,829,591
NON-CASH INVESTING AND FINANCING INFORMATION:		
Non-cash additions to real estate[(1)]	$ 1,421,863	$ 312,171
Offering costs included in Accounts payable and accrued expenses	259,776	15,000
Financing fees included in Accounts payable and accrued expenses	14,382	1,336

(1) 2015 non-cash real estate additions include $721,863 of additions included in Accounts payable and accrued expenses and $700,000 of contingent consideration, included in Other liabilities, owed in connection with a farm acquired during the six months ended June 30, 2015. 2014 non-cash real estate additions were all included in accounts payable and accrued expenses.

The accompanying notes are an integral part of these consolidated financial statements.

GLADSTONE LAND CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

NOTE 1. BUSINESS

Business

Gladstone Land Corporation is a real estate investment trust ("REIT") that was re-incorporated in Maryland on March 24, 2011, having been previously re-incorporated in Delaware on May 25, 2004, and having been originally incorporated in California on June 14, 1997. We are primarily in the business of owning and leasing farmland. We conduct substantially all of our operations through a subsidiary, Gladstone Land Limited Partnership (the "Operating Partnership"), a Delaware limited partnership. Subject to certain restrictions and limitations, and pursuant to contractual agreements, our business is managed by Gladstone Management Corporation (the "Adviser"), a Delaware corporation, and administrative services are provided to us by Gladstone Administration, LLC (the "Administrator"), a Delaware limited liability company. Our Adviser and Administrator are both affiliates of ours.

All further references herein to "we," "us," "our" and the "Company" refer, collectively, to Gladstone Land Corporation and its consolidated subsidiaries, except where indicated otherwise.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interim Financial Information

Our interim financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q in accordance with Article 10 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of our management, all adjustments, consisting solely of normal recurring accruals, necessary for the fair presentation of financial statements for the interim period have been included. The results of the interim period reported herein are not indicative of the results to be expected for the full year. The interim financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on February 24, 2015 (the "Form 10-K"). The results of operations for the three and six months ended June 30, 2015, are not necessarily indicative of the results that may be expected for other interim periods or for the full fiscal year.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could materially differ from those estimates.

Reclassifications

Certain line items on the *Condensed Consolidated Balance Sheet* as of December 31, 2014, the *Condensed Consolidated Statements of Operations* for the three and six months ended June 30, 2014, and the *Condensed Consolidated Statement of Cash Flows* for the six months ended June 30, 2014, have been reclassified to conform to the current-year presentation. These reclassifications had no effect on previously-reported stockholders' equity or net income.

Critical Accounting Policies

The preparation of financial statements in accordance with GAAP requires management to make judgments that are subjective in nature in order to make certain estimates and assumptions, and the application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties. A summary of our significant accounting policies is provided in Note 2 to our consolidated financial statements included in our Form 10-K. There were no material changes to our significant accounting policies during the six months ended June 30, 2015.

Recently-Issued Accounting Guidance

In February 2015, the Financial Accounting Standards Board (the "FASB"), issued Accounting Standards Update ("ASU") 2015-02, "Consolidation – Amendments to the Consolidation Analysis" ("ASU 2015-02"), which amends or supersedes the scope and consolidation guidance under existing GAAP. The new standard changes the way a reporting entity evaluates whether (a) limited partnerships and similar entities should be consolidated, (b) fees paid to decision makers or service providers are variable interests in a variable interest entity ("VIE") and (c) variable interests in a VIE held by related parties require the reporting entity to consolidate the VIE. ASU 2015-02 also eliminates the VIE consolidation model based on majority exposure to variability that applied to certain investment companies and similar entities. We are currently assessing the impact of ASU 2015-02 and do not anticipate a material impact on our financial position, results of operations or cash flows from adopting this standard. ASU 2015-02 is effective for annual and interim reporting periods beginning after December 15, 2015, with early adoption permitted.

In April 2015, the FASB issued ASU 2015-03, "Simplifying the Presentation of Debt Issuance Costs" ("ASU 2015-03"), which simplifies the presentation of debt issuance costs. We are currently assessing the impact of ASU 2015-03 and do not anticipate a material impact on our financial position, results of operations or cash flows from adopting this standard. ASU 2015-03 is effective for annual and interim reporting periods beginning after December 15, 2015, with early adoption permitted.

NOTE 3. REAL ESTATE AND INTANGIBLE ASSETS

All of our properties are wholly-owned on a fee-simple basis. The following table provides certain summary information about our 36 farms as of June 30, 2015:

Property Name	Location	Date Acquired	Number of Farms	Total Acres	Farm Acres	Lease Expiration Date	Net Cost Basis(1)	Encumbrances
San Andreas	Watsonville, CA	6/16/1997	1	307	238	12/31/2020	$ 4,806,449	$ 4,072,726
West Gonzales	Oxnard, CA	9/15/1998	1	653	502	6/30/2020	12,309,315	20,720,863
West Beach	Watsonville, CA	1/3/2011	3	196	195	12/31/2023	9,304,059	3,967,397
Dalton Lane	Watsonville, CA	7/7/2011	1	72	70	10/31/2020	2,690,463	1,314,507
Keysville Road	Plant City, FL	10/26/2011	2	59	56	6/30/2020	1,241,322	897,600
Colding Loop	Wimauma, FL	8/9/2012	1	219	181	6/14/2018	4,013,732	2,640,000
Trapnell Road	Plant City, FL	9/12/2012	3	124	110	6/30/2017	4,025,042	2,655,000
38th Avenue	Covert, MI	4/5/2013	1	119	89	4/4/2020	1,293,824	627,762
Sequoia Street	Brooks, OR	5/31/2013	1	218	206	5/31/2028	3,127,897	1,451,202
Natividad Road	Salinas, CA	10/21/2013	1	166	166	10/31/2024	8,189,239	3,276,906
20th Avenue	South Haven, MI	11/5/2013	3	151	94	11/4/2018	1,837,778	936,259
Broadway Road	Moorpark, CA	12/16/2013	1	60	60	12/15/2023	2,891,102	1,404,388
Oregon Trail	Echo, OR	12/27/2013	1	1,895	1,640	12/31/2023	13,955,285	6,553,812
East Shelton	Willcox, AZ	12/27/2013	1	1,761	1,320	2/29/2024	7,972,401	3,136,467
Collins Road	Clatskanie, OR	5/30/2014	2	200	157	9/30/2024	2,478,279	1,263,949
Spring Valley	Watsonville, CA	6/13/2014	1	145	110	9/30/2022	5,807,119	2,761,963
McIntosh Road	Dover, FL	6/20/2014	2	94	78	6/30/2017	2,553,622	1,599,600
Naumann Road	Oxnard, CA	7/23/2014	1	68	66	7/31/2017	6,821,216	3,225,412
Sycamore Road	Arvin, CA	7/25/2014	1	326	322	10/31/2024	6,387,629	2,715,151
Wauchula Road	Duette, FL	9/29/2014	1	808	590	9/30/2024	13,521,618	7,949,287
Santa Clara Avenue	Oxnard, CA	10/29/2014	2	333	331	7/31/2017	24,313,506	11,703,235
Dufau Road	Oxnard, CA	11/4/2014	1	65	64	11/3/2017	6,090,913	3,675,000
Espinosa Road	Salinas, CA	1/5/2015	1	331	329	10/31/2016	16,725,452	10,178,000
Parrish Road	Duette, FL	3/10/2015	1	419	211	6/30/2025	3,867,252	2,374,680
Immokalee Exchange	Immokalee, FL	6/25/2015	2	2,678	1,644	6/30/2020	15,762,300	9,360,000
			36	11,467	8,829		$181,986,814	$110,461,166

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs associated with the properties, and adjusted for depreciation and amortization accumulated through June 30, 2015.

In accordance with the lease terms, substantially all operating expenses are required to be paid by the tenant; however, we would be required to pay real estate property taxes on the respective parcels of land in the event the tenants fail to pay them. The aggregate annual real estate property taxes for all parcels of land owned by us as of June 30, 2015, are approximately $1,442,000. As of June 30, 2015, due to the terms of certain of our leases currently in place, the annualized amount of real estate property taxes for which we are responsible is approximately $595,000. However, effective November 1, 2015, the lease structures on two of our farms will convert from modified gross leases to pure, triple-net leases, reducing the portion of the annual real estate property taxes for which we are responsible by approximately $171,000.

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Real Estate

The following table sets forth the components of our investments in tangible real estate assets as of June 30, 2015, and December 31, 2014:

	June 30, 2015	December 31, 2014
Real estate:		
Land and land improvements	$156,085,513	$ 122,999,316
Irrigation systems	16,439,003	12,365,514
Buildings and improvements	10,845,136	10,479,301
Horticulture	1,559,339	1,559,340
Other site improvements	1,044,261	968,007
Real estate, at cost	185,973,252	148,371,478
Accumulated depreciation	(5,482,928)	(4,431,290)
Real estate, net	**$180,490,324**	**$ 143,940,188**

Real estate depreciation expense on these tangible assets was $539,125 and $1,051,639 for the three and six months ended June 30, 2015, respectively, and $296,946 and $556,509 for the three and six months ended June 30, 2014, respectively.

New Real Estate Activity

2015 New Real Estate Activity

During the six months ended June 30, 2015, we acquired four new farms in three separate transactions, which are summarized in the table below.

Property Name	Property Location	Acquisition Date	Total Acreage	Number of Farms	Primary Crop(s)	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs	Annualized Straight-line Rent(1)
Espinosa Road(2)	Salinas, CA	1/5/2015	331	1	Strawberries	1.8 years	None	$16,905,500	$ 87,512 (3)	$ 778,342
Parrish Road	Duette, FL	3/10/2015	419	1	Strawberries	10.3 years	2 (5 years)	3,913,280	101,610 (3)	251,832
Immokalee Exchange	Immokalee, FL	6/25/2015	2,678	2	Misc.Vegetables	5.0 years	2 (5 years)	15,757,700	148,960 (3)	960,104
			3,428	4				$36,576,480	$ 338,082	$1,990,278

(1) Annualized GAAP amount is based on the minimum rental payments required per the lease and includes the amortization of any above-market and below-market lease values recorded.

(2) In connection with this acquisition, our Adviser earned a finder's fee of $320,905, which fee was fully credited back to us by our Adviser during the three months ended March 31, 2015. See Note 4, "Related-Party Transactions" for further discussion on this fee.

(3) Acquisition accounted for as a business combination under ASC 805. As such, all acquisition-related costs were expensed as incurred, other than direct leasing costs, which were capitalized. In aggregate, we incurred $7,225 of direct leasing costs in connection with these acquisitions.

As noted in the table above, all acquisitions during the six months ended June 30, 2015, were accounted for as business combinations in accordance with Accounting Standards Codification ("ASC") 805, as there was a prior leasing history on the property. As such, the fair value of all assets acquired and liabilities assumed were determined in accordance with ASC 805, and all acquisition-related costs were expensed as incurred, other than those costs that directly related to reviewing or assigning leases we assumed upon acquisition, which were capitalized as part of leasing costs.

We determined the fair value of acquired assets and liabilities assumed related to the properties acquired during the six months ended June 30, 2015, to be as follows:

Property Name	Land and Land Improvements	Buildings and Improvements	Irrigation System	In-place Leases	Leasing Costs	Customer Relationships	Total Purchase Price
Espinosa Road	$ 15,852,466	$ 84,478	$ 497,401	$246,472	$ 43,894	$ 180,789	$16,905,500
Parrish Road	2,403,064	42,619	1,299,851	54,405	77,449	35,892	3,913,280
Immokalee Exhange	14,410,840	273,107	515,879	229,406	148,691	179,777	15,757,700
	$ 32,666,370	$ 400,204	$2,313,131	$530,283	$270,034	$ 396,458	$36,576,480

The allocation of the purchase price for the farms acquired during the six months ended June 30, 2015, is preliminary and may change during the measurement period if we obtain new information regarding the assets acquired or liabilities assumed at the acquisition date.

Below is a summary of the total operating revenues and earnings recognized on the properties acquired during the three and six months ended June 30, 2015:

Property Name	Acquisition Date	For the three months ended June 30, 2015 Operating Revenues	For the three months ended June 30, 2015 Earnings(1)	For the six months ended June 30, 2015 Operating Revenues	For the six months ended June 30, 2015 Earnings(1)
Espinosa Road	1/5/2015	$194,585	$ 101,813	$380,802	$ 198,871
Parrish Road	3/10/2015	62,958	21,770	77,174	28,949
Immokalee Exchange	6/25/2015	—	(1,223)	—	(1,223)
		$257,543	$ 122,360	$457,976	$ 226,597

(1) Earnings are calculated as net income less interest expense and any acquisition-related costs that are required to be expensed if the acquisition is treated as a business combination under ASC 805.

2014 New Real Estate Activity

During the six months ended June 30, 2014, we acquired five farms in three separate transactions, which are summarized in the table below.

Property Name	Property Location	Acquisition Date	Total Acreage	Number of Farms	Primary Crop(s)	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs(1)	Annualized Straight-line Rent(2)
Collins Road	Clatskanie, OR	5/30/2014	200	2	Blueberries	10.3 years	3 (5 years each)	$ 2,591,333	$ 58,441	$ 181,172
Spring Valley	Watsonville, CA	6/13/2014	145	1	Strawberries	2.3 years	None	5,900,000	48,915	270,901
McIntosh Road	Dover, FL	6/20/2014	94	2	Strawberries	3.0 years	None	2,666,000	61,190	136,908
			439	5				$11,157,333	$ 168,546	$ 588,981

(1) Each of the properties acquired during the six months ended June 30, 2104, were accounted for as a business combination under ASC 805; therefore, the related costs associated with the acquisitions were expensed in the period incurred. However, $7,175 of these acquisition costs were direct costs incurred related to reviewing and assigning leases we assumed upon acquisition; therefore, we capitalized these costs as part of leasing costs. Further, $19,277 of the acquisition costs related to the closing of McIntosh Road was expensed prior to 2014.

(2) Annualized straight-line amount is based on the minimum rental payments required per the lease and includes the amortization of any above-market and below-market leases recorded.

No new debt was issued related to any of the properties acquired during the six months ended June 30, 2014; however, we funded a portion of the acquisitions with a $3.0 million draw on our line of credit with Metropolitan Life Insurance Company (“MetLife”) during the three months ended June 30, 2014.

As noted in the table above, all acquisitions during the six months ended June 30, 2014, were accounted for as business combinations in accordance with ASC 805, as there was a leasing history on the property or a lease in place that we assumed upon acquisition. As such, the fair value of all assets acquired and liabilities assumed were determined in accordance with ASC 805, and all acquisition-related costs were expensed as incurred.

We determined the fair value of acquired assets and liabilities assumed related to the properties acquired during the six months ended June 30, 2014, to be as follows:

Property Name	Land and Land Improvements	Buildings	Irrigation System	Site Improvements	Horticulture(1)	In-place Leases	Leasing Costs	Customer Relationships	Above (Below)-Market Leases	Total Purchase Price
Collins Road	$ 1,252,387	$555,667	$ —	$ 126,719	$ 520,993	$ 45,086	$65,685	$ 24,796	$ —	$ 2,591,333
Spring Valley	5,576,138	5,781	200,855	—	—	83,487	17,498	66,217	(49,976)	5,900,000
McIntosh Road	1,970,074	30,745	537,254	2,846	—	34,674	16,766	27,966	45,675	2,666,000
	$ 8,798,599	$592,193	$738,109	$ 129,565	$ 520,993	$163,247	$99,949	$ 118,979	$ (4,301)	$11,157,333

(1) Horticulture acquired on Collins Road consists of various types of blueberry bushes.

Below is a summary of the total revenue and earnings recognized on the properties acquired during the three and six months ended June 30, 2014:

		For the Three and Six Months Ended June 30, 2014	
Property Name	Acquisition Date	Rental Revenue	Earnings (1)
Collins Road	5/30/2014	$ 16,072	$ 8,278
Spring Valley	6/13/2014	13,545	8,335
McIntosh Road	6/20/2014	4,183	951
		$ 33,800	$ 17,564

Acquired Intangibles and Liabilities

For acquisitions treated as business combinations, the purchase price was allocated to the identifiable intangible assets and liabilities in accordance with ASC 805. No purchase price was allocated to any intangible assets or liabilities related to acquisitions treated as asset acquisitions under ASC 360; however, the direct costs we incurred in connection with originating new leases or reviewing existing leases were capitalized over the lives of the respective leases. The following table shows the weighted-average amortization period, in years, for the intangible assets acquired and liabilities assumed in connection with the new properties acquired during the six months ended June 30, 2015 and 2014:

	Weighted-Average Amortization Period (in Years)	
Intangible Assets	2015	2014
In-place leases	4.1	4.7
Leasing commissions	6.1	7.8
Tenant relationships	9.5	7.3
Above-market lease values	—	3.0
Below-market lease values	—	2.3
All intangible assets	**6.3**	**5.6**

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Pro-Forma Financials

We acquired four farms during the six months ended June 30, 2015, and 11 farms during the year ended December 31, 2014. The following table reflects pro-forma consolidated financial information as if each farm was acquired at the beginning of the previous fiscal year. In addition, pro-forma earnings have been adjusted to assume that acquisition-related costs related to these farms were incurred at the beginning of the previous fiscal year.

	For the Six Months Ended June 30, 2015 (Unaudited)	For the Six Months Ended June 30, 2014 (Unaudited)
Operating Data:		
Total operating revenue	$ 6,032,056	$ 5,868,815
Total operating expenses	(3,237,854)	(3,627,657)
Other expenses	(1,927,153)	(2,155,079)
Net income before income taxes	867,049	86,079
Provision for income taxes	—	(13,246)
Net income	$ 867,049	$ 72,833
Share and Per-share Data:		
Earnings per share of common stock - basic and diluted	$ 0.10	$ 0.01
Weighted average common shares outstanding - basic and diluted	8,872,584	6,578,270

The pro-forma consolidated results are prepared for informational purposes only. They are not necessarily indicative of what our consolidated financial condition or results of operations actually would have been assuming the acquisitions had occurred at the beginning of the respective previous periods, nor do they purport to represent our consolidated financial position or results of operations for future periods.

Significant Existing Real Estate Activity

On February 9, 2015, we terminated the lease with the tenant occupying Keysville Road and, on February 10, 2015, entered into a lease with a new tenant to occupy the property. The new lease is scheduled to expire on June 30, 2020, and provides for rent escalations over its life, with minimum, annualized straight-line rental income of $73,749, representing a 7.9% increase over that of the previous lease. In connection with the termination of the previous lease, during the three months ended March 31, 2015, we wrote off an aggregate amount of $32,497 related to deferred rent asset balances and rental income that had been recorded in prior periods.

On February 23, 2015, we renewed the lease with the tenant occupying Spring Valley, which lease was originally set to expire on September 30, 2016. The lease was renewed for an additional six years, through September 30, 2022, and provides for rent escalations over its life, with minimum annualized, straight-line rental income of $327,904, representing a 32.5% increase over that of the previous lease. The new lease also grants the tenant two options to extend the lease for an additional six years each.

On April 8, 2015, the tenant occupying Santa Clara exercised its option to extend the two existing leases, which were originally set to expire on July 31, 2015. The leases were each extended for an additional two years, through July 31, 2017, and provide for annualized, straight-line rental income of $1,302,783, representing a 5.8% increase over that of the previous leases.

On April 13, 2015, we renewed the lease with the tenant occupying Dalton Lane, which was originally set to expire on October 31, 2015. The lease was renewed for an additional five years, through October 31, 2020, and provides for rent escalations over its life, with annualized, straight-line rental income of $163,989, representing a 16.8% increase over that of the previous lease. The new lease also grants the tenant one option to extend the lease for an additional five years.

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Involuntary Conversions and Property and Casualty Recovery

In April 2014, two separate fires occurred on two of our properties, partially damaging a structure on each property. One occurred on 20th Avenue, on which the majority of a residential house was destroyed by a fire, and the other occurred on West Gonzales, damaging a portion of the cooling facility on the property. During the year ended December 31, 2014, we wrote down the carrying values of these properties by an aggregate amount of $232,737, and, in accordance with ASC 605, "Revenue Recognition – Gains and Losses," we also recorded a corresponding property and casualty loss. We recovered $495,700 of insurance proceeds during the year ended December 31, 2014, and, in accordance with ASC 450, "Contingencies," we recorded these amounts as an offset to the property and casualty loss recorded earlier in the year, resulting in a net recovery.

During the three months ended June 30, 2015, we received an additional $20,809 of insurance proceeds related to the fire on West Gonzales, and such recovery is included in Property and casualty recovery (loss), net on the accompanying *Condensed Consolidated Statements of Operations*. In addition, subsequent to June 30, 2015, we received the remaining $76,423 of insurance proceeds related to the fire on West Gonzales, which amount will be recognized during the three months ending September 30, 2015. No further recoveries are expected relating to either of these fires.

Repairs are substantially complete on West Gonzales, and, during the three months ended March 31, 2015, we expended $35,648 in repairs and upgrades to the cooler as a result of the fire. Of this amount, $25,682 was capitalized as a real estate addition, and $9,966 was recorded in repairs and maintenance expense, included in Property operating expense on the accompanying *Condensed Consolidated Statements of Operations*. Repairs on 20th Avenue are ongoing and are expected to be completed during the three months ending September 30, 2015, at no cost to us.

Intangible Assets and Liabilities

The following table summarizes the carrying value of lease intangibles and the accumulated amortization for each intangible asset or liability class as of June 30, 2015, and December 31, 2014:

	June 30, 2015		**December 31, 2014**	
	Lease Intangibles	Accumulated Amortization	Lease Intangibles	Accumulated Amortization
In-place leases	$1,399,490	$ (548,041)	$ 869,207	$ (263,428)
Leasing costs	634,041	(145,105)	357,210	(80,617)
Tenant relationships	898,128	(169,162)	501,670	(66,467)
	$2,931,659	**$ (862,308)**	**$1,728,087**	**$ (410,512)**
	Deferred Rent Asset (Liability)	Accumulated (Amortization) Accretion	Deferred Rent Asset (Liability)	Accumulated (Amortization) Accretion
Above-market lease values(1)	$ 65,203	$ (19,817)	$ 65,203	$ (9,027)
Below-market lease values(2)	(371,707)	269,927	(371,707)	162,194
	$ (306,504)	**$ 250,110**	**$ (306,504)**	**$ 153,167**

(1) Above-market lease values are included as a part of Other assets in the accompanying *Condensed Consolidated Balance Sheets*, and the related amortization is recorded as a reduction of rental income.

(2) Below-market lease values are included as a part of Other liabilities in the accompanying *Condensed Consolidated Balance Sheets*, and the related accretion is recorded as an increase to rental income.

Total amortization expense related to these lease intangible assets was $172,678 and $451,796 for the three and six months ended June 30, 2015, respectively, and $33,540 and $62,008 for the three and six months ended June 30, 2014, respectively.

Total amortization related to above-market lease values was $5,395 and $10,790, for the three and six months ended June 30, 2015, respectively, and $461 for both the three and six months ended June 30, 2014. Total accretion related to below-market lease values was $52,590 and $107,733 for the three and six months ended June 30, 2015, respectively, and $20,980 and $40,874 for the three and six months ended June 30, 2014, respectively.

Portfolio Diversification and Concentrations

Diversification

The following table summarizes the geographic locations, by state, of our properties with leases in place as of June 30, 2015 and 2014:

	As of and For the Six Months Ended June 30, 2015					As of and For the Six Months Ended June 30, 2014				
State	Number of Farms	Total Acres	% of Total Acres	Rental Revenue	% of Total Rental Revenue	Number of Farms	Total Acres	% of Total Acres	Rental Revenue	% of Total Rental Revenue
California	15	2,722	23.7%	$3,712,894	68.7%	9	1,599	24.8%	$2,051,017	67.1%
Florida	12	4,401	38.4%	820,834	15.2%	8	496	7.7%	240,304	7.9%
Oregon	4	2,313	20.2%	583,763	10.8%	4	2,313	35.9%	492,121	16.1%
Arizona	1	1,761	15.4%	161,935	3.0%	1	1,761	27.4%	145,328	4.7%
Michigan	4	270	2.3%	123,357	2.3%	4	270	4.2%	128,157	4.2%
	36	**11,467**	**100.0%**	**$5,402,783**	**100.0%**	**26**	**6,439**	**100.0%**	**$3,056,927**	**100.0%**

Concentrations

Credit Risk

Our farms are leased to 30 different third-party tenants. Two of our farms are leased to the same tenant, Dole Food Company ("Dole"). Aggregate rental income attributable to Dole accounted for approximately $1.5 million, or 27.3%, of the rental revenue recorded during the six months ended June 30, 2015, as compared to 46.5% of the total rental revenue recorded during the six months ended June 30, 2014. In addition, a separate tenant accounted for approximately 11.7% of the total rental revenue recorded during the six months ended June 30, 2015. If either tenant fails to make rental payments or elects to terminate their lease, and the land cannot be re-leased on satisfactory terms, there would likely be a material adverse effect on our financial performance and ability to continue operations. No other individual tenant represented greater than 10.0% of the total rental revenue recorded during the six months ended June 30, 2015.

Geographic Risk

15 of our 36 farms owned as of June 30, 2015, are located in California, and 12 farms are located in Florida. As of June 30, 2015, our farmland in California accounted for 2,722 acres, or 23.7% of the total acreage we owned. Furthermore, these farms accounted for approximately $3.7 million, or 68.7%, of the rental revenue recorded during the six months ended June 30, 2015. However, our farms are spread across three of the many different growing regions within California. As of June 30, 2015, our farmland in Florida accounted for 4,401 acres, or 38.4% of the total acreage we owned, and these farms accounted for approximately $0.8 million, or 15.2%, of the rental revenue recorded during the six months ended June 30, 2015. In addition, our farms in Oregon accounted for approximately 10.8% of the rental revenue recorded during the six months ended June 30, 2015. Though we seek to continue to further diversify geographically, as may be desirable or feasible, should an unexpected natural disaster occur where our properties are located, there could be a material adverse effect on our financial performance and ability to continue operations. No other single state accounted for more than 10.0% of the total rental revenue recorded during the six months ended June 30, 2015.

Active Purchase and Sale Agreements

On June 17, 2015, we entered into an agreement to purchase 841 acres of farmland in California (the "841-Acre California Property") for approximately $18.9 million. The 841-Acre California Property is currently vineyard farmland; however, we expect to develop the property with almond trees if acquired. The prospective purchase of the 841-Acre California Property is expected to close during the three months ending September 30, 2015, subject to customary conditions and termination rights for transactions of this type, including a due diligence inspection period. However, there can be no assurance that this prospective acquisition will be consummated by that time, on the terms currently anticipated, or at all.

NOTE 4. RELATED-PARTY TRANSACTIONS

We are externally managed pursuant to contractual arrangements with our Adviser and our Administrator, which collectively employ all of our personnel and pay their salaries, benefits and general expenses directly. The current advisory agreement with our Advisor (the "Advisory Agreement") and the current administration agreement with our Administrator (the "Administration Agreement") became effective February 1, 2013. A summary of each of these agreements is provided in Note 4 to our consolidated financial statements included in our Form 10-K. There were no material changes to either agreement during the six months ended June 30, 2015.

The following table summarizes the management fees, incentive fees and associated credits and the administration fees reflected in our accompanying *Condensed Consolidated Statements of Operations*:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Management fee(1)(2)	$ 328,392	$ 236,531	$ 624,140	$ 477,495
Credit from voluntary, irrevocable waiver by Adviser's board of directors(2)(3)	—	—	(320,905)	—
Net fee to our Adviser	**$ 328,392**	**$ 236,531**	**$ 303,235**	**$ 477,495**
Administration fee(1)(2)	**$ 177,852**	**$ 65,047**	**$ 308,788**	**$ 131,205**

(1) Pursuant to the Advisory and Administration Agreements, respectively, which became effective on February 1, 2013.
(2) Reflected as a line item on our accompanying *Condensed Consolidated Statements of Operations.*
(3) The credit received from our Adviser for the six months ended June 30, 2015, was attributable to a finder's fee earned by our Adviser in connection with a farm we acquired during the three months ended March 31, 2015, which fee was granted to us as a waiver to be applied against the fees we pay to our Adviser.

Related-Party Fees Due

Amounts due to related parties on our accompanying *Condensed Consolidated Balance Sheets* as of June 30, 2015, and December 31, 2014, were as follows:

	As of 6/30/2015	As of 12/31/2014
Management fee due to Adviser	$ 624,140	$ 301,487
Credits to fees due to Adviser	(320,905)	—
Other due to Adviser(1)	18,595	3,187
Total due to Adviser	321,830	304,674
Administration fee due to Administrator	308,788	166,427
Total due to Administrator	308,788	166,427
Total due to related parties(2)	**$ 630,618**	**$ 471,101**

(1) Other fees due to related parties primarily relate to miscellaneous general and administrative expenses paid by our Adviser or Administrator on our behalf.
(2) Reflected as a line item on our accompanying *Condensed Consolidated Balance Sheets.*

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NOTE 5. BORROWINGS

Our borrowings as of June 30, 2015, and December 31, 2014, are summarized below:

					As of June 30, 2015			As of December 31, 2014		
Issuer	Type of Issuance	Date(s) of Issuance	Initial Commitment	Maturity Date(s)	Principal Outstanding	Stated Interest Rate(1)	Undrawn Commitment	Principal Outstanding	Stated Interest Rate(1)	Undrawn Commitment
MetLife	Mortgage Note Payable	5/9/2014	100,000,000	1/5/2029 (2)	$ 66,331,998	3.61%	33,668,002 (3)	66,331,998	3.61%	33,668,002 (3)
MetLife	Line of Credit	5/9/2014	25,000,000	4/5/2024	2,800,000	2.77%	22,200,000 (3)	4,000,000	2.75%	21,000,000 (3)
Farm Credit	Mortgage Notes Payable	9/19/2014–5/8/2015	18,425,880	5/1/2020–8/1/2034	18,116,168	3.38% (4)	—	12,410,363	3.53% (4)	—
Farmer Mac	Bonds Payable	12/11/2014	75,000,000	7/30/2018–1/6/2020 (5)	23,213,000	2.99%	51,787,000 (6)	3,675,000	3.25%	71,325,000 (6)
Totals:					**$110,461,166**		**$107,655,002**	**$ 86,417,361**		**$125,993,002**

(1) Represents the weighted-average, blended rate on the respective borrowing facilities as of June 30, 2015, and December 31, 2014.
(2) If facility not fully utilized by December 31, 2016, MetLife has the option to be relieved of its obligations to disburse the additional funds under the loan.
(3) Based on the properties that were pledged as collateral as of June 30, 2015, and December 31, 2014, approximately $16.5 million and $13.8 million, respectively, of the undrawn commitment was available for us to draw.
(4) Rate is before interest repatriation. 2014 interest patronage received resulted in a reduction to the stated interest rate of 12.7%.
(5) If facility not fully utilized by December 11, 2016, Farmer Mac has the option to be relieved of its obligations to purchase additional bonds under the facility.
(6) At each of June 30, 2015, and December 31, 2014, there was no additional availability to draw under this facility, as no additional properties had been pledged as collateral.

The weighted-average effective interest rate charged on all of our borrowings, excluding the impact of deferred financing costs and before any interest repatriation, was 3.6% for both the three and six months ended June 30, 2015, respectively, as compared to 3.7% and 3.6% for the three and six months ended June 30, 2014, respectively. 2014 interest patronage from our Farm Credit (as defined below) borrowings, which patronage was received during the three months ended June 30, 2015, resulted in a reduction to our effective interest rate of 12.7%.

MetLife Credit Facility

On May 9, 2014, we closed on a facility with MetLife that consists of a $100.0 million long-term note payable that is scheduled to mature on January 5, 2029 (the “MetLife Note Payable”), and a $25.0 million revolving equity line of credit that is scheduled to mature on April 5, 2024 (the “MetLife Line of Credit” and, together with the MetLife Note Payable, the “MetLife Credit Facility”). Initial advances under the MetLife Note Payable bear interest at a fixed rate of 3.50% per annum, plus an unused line fee of 0.20% on undrawn amounts, and interest rates for subsequent disbursements are based on prevailing market rates at the time of such disbursements. The interest rates on the initial advance and any subsequent disbursements will be subject to adjustment every three years. If we have not drawn the full commitment amount of $100.0 million by December 31, 2016, MetLife has the option to be relieved of its obligation to disburse the additional funds under this loan. As of June 30, 2015, there is approximately $66.3 million outstanding under the MetLife Note Payable that bears interest at a blended rate of 3.61% per annum. Advances under the MetLife Line of Credit initially bear interest at a variable rate equal to the three-month LIBOR plus a spread of 2.50%, with a minimum annualized rate of 2.75%, plus an unused fee of 0.20% on undrawn amounts. The interest rate spread on borrowings under the MetLife Line of Credit will be subject to adjustment in April 2017. As of June 30, 2015, there is $2.8 million outstanding under the MetLife Line of Credit that bears interest at a rate of 2.77% per annum. While approximately $55.9 million of the full commitment amount remains undrawn, based on the current level of collateral pledged, as of June 30, 2015, we have approximately $16.5 million of aggregate availability under the MetLife Credit Facility.

Farm Credit Notes Payable

On March 10 and April 9, 2015, we, through certain subsidiaries of our Operating Partnership, closed on two interest-only loans from Farm Credit of Central Florida, FLCA (“Farm Credit”), for an aggregate amount of approximately $3.3 million. These loans bear interest (before interest repatriation) at a fixed rate of 3.20% throughout each of their five-year terms. On May 8, 2015, we obtained an additional loan for approximately $2.6 million that matures in May 2030. Through April 30, 2018, this loan will bear interest at a fixed rate of 2.90%, thereafter reverting to an amortizing loan bearing interest equal to the one-month LIBOR plus 3.00%.

Proceeds from the Farm Credit Notes Payable were invested into the acquisition of new farms and to repay amounts owed under our line of credit with MetLife. As of June 30, 2015, aggregate borrowings from Farm Credit were approximately $18.1 million, and we were in compliance with all covenants.

Farmer Mac Facility

On December 5, 2014, we, through certain subsidiaries of our Operating Partnership, entered into a bond purchase agreement (the "Bond Purchase Agreement") with Federal Agricultural Mortgage Corporation ("Farmer Mac") and Farmer Mac Mortgage Securities Corporation (the "Bond Purchaser"), for a secured note purchase facility that provides for bond issuances up to an aggregate principal amount of $75.0 million (the "Farmer Mac Facility").

On January 5, 2015, we completed an issuance under the Farmer Mac Facility of a $10.2 million, five-year, interest-only bond with a fixed interest rate of 3.25% throughout its term. In addition, on June 25, 2015, we issued a $9.4 million, three-year, interest-only bond with a fixed rate of 2.60%.

Proceeds from bonds issued under the Farmer Mac Facility were invested into the acquisition of new farms. As of June, 30, 2015, the aggregate amount of bonds issued under the Farmer Mac Facility was approximately $23.2 million, and we were in compliance with all covenants.

Fair Value

As of June 30, 2015, the aggregate fair value of our mortgage notes and bonds payable was approximately $107.4 million, as compared to an aggregate carrying value of $107.7 million. The fair value of the mortgage notes and bonds payable is valued using Level 3 inputs under the hierarchy established by ASC 820-10, "Fair Value Measurements and Disclosures," and is calculated based on a discounted cash flow analysis, using discount rates based on management's estimates of market interest rates on long-term debt with comparable terms. Due to the revolving nature of our line of credit with MetLife and the lack of changes in market credit spreads, its fair value as of June 30, 2015, is deemed to approximate its carrying value of $2.8 million.

NOTE 6. STOCKHOLDERS' EQUITY

Distributions

The distributions to common stockholders declared by our Board of Directors and paid by us during the six months ended June 30, 2015 and 2014 are reflected in the table below.

Fiscal Year	Declaration Date	Record Date	Payment Date	Distributions per Common Share
2015	January 13, 2015	January 23, 2015	February 3, 2015	$ 0.035
	January 13, 2015	February 18, 2015	February 27, 2015	0.035
	January 13, 2015	March 20, 2015	March 31, 2015	0.035
	April 14, 2015	April 24, 2015	May 4, 2015	0.040
	April 14, 2015	May 19, 2015	May 28, 2015	0.040
	April 14, 2015	June 19, 2015	June 30, 2015	0.040
Six Months ended June 30, 2015				**$ 0.225**
2014	January 7, 2014	January 22, 2014	January 31, 2014	$ 0.030
	January 7, 2014	February 19, 2014	February 28, 2014	0.030
	January 7, 2014	March 17, 2014	March 31, 2014	0.030
	April 8, 2014	April 21, 2014	April 30, 2014	0.030
	April 8, 2014	May 20, 2014	May 30, 2014	0.030
	April 8, 2014	June 19, 2014	June 30, 2014	0.030
Six Months ended June 30, 2014				**$ 0.180**

We will provide information related to the federal income tax characterization of our 2015 distributions in an IRS Form 1099-DIV, which will be mailed to our stockholders in January 2016.

Registration Statement

We filed a universal registration statement on Form S-3 (File No. 333-194539) with the SEC on March 13, 2014, which the SEC declared effective on April 2, 2014. This universal registration statement permits us to issue up to an aggregate of $300.0 million in securities, consisting of common stock, senior common stock, preferred stock, subscription rights, debt securities and warrants to purchase common stock, including through a combined offering of two or more of such securities. As of June 30, 2015, we have issued 1,223,453 shares of common stock for gross proceeds of $15.0 million under this universal registration statement.

On November 5, 2014, we filed a registration statement on Form S-11 (File No. 333-199896) with the SEC, and on each of April 27 and May 11, 2015, we filed pre-effective amendments to such registration statement, which the SEC declared effective on May 13, 2015. Pursuant to this registration statement, we completed a public offering of 1,306,597 shares of our common stock at a public offering price of $11.40 during the three months ended June 30, 2015. See "—2015 Equity Issuance" below for further discussion on this offering.

2015 Equity Issuance

On May 15, 2015, we completed a public offering (the "2015 Follow-on Offering") of 1,250,000 shares of our common stock at a public offering price of $11.40 per share. As a result of this offering, we received gross proceeds of approximately $14.3 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $13.2 million. On June 10, 2015, the underwriters exercised a portion of their over-allotment option in connection with our 2015 Follow-on Offering, and, as a result, we issued an additional 56,597 shares. This transaction closed on June 15, 2015, and resulted in gross proceeds of approximately $645,000 and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $606,000.

We used the proceeds received from the 2015 Follow-on Offering to repay existing indebtedness, to fund new property acquisitions and for other general corporate purposes.

NOTE 7. COMMITMENTS AND CONTINGENCIES

Operating Obligations

In connection with the follow-on lease we executed upon our acquisition of Sycamore Road in July 2014, we are required to make certain irrigation improvements on the property to increase overall water availability by November 1, 2015. These improvements are expected to be completed during the three months ending December 31, 2015. As of June 30, 2015, we have expended or accrued $519,289 related to these improvements, and we expect to incur additional costs of approximately $275,000. In addition, we will earn additional rent on the total cost of these improvements commensurate with the then-current annual yield on the farmland.

In connection with the lease we executed upon our acquisition of Wauchula Road in September 2014, we agreed to fund certain irrigation upgrades at the tenant's option. Currently, 125 of the 590 farm acres on the property are subject to drip irrigation. Pursuant to the lease, the tenant has the option to construct irrigation improvements necessary to convert all or a portion of the drip-irrigated acres to overhead irrigation and be reimbursed by us, up to a maximum aggregate cost of $1.5 million. The lease provides for additional rental income to be earned on the newly-converted acres upon completion of the irrigation improvements. The tenant has informed us of their intention to construct these improvements, and the work is expected to be completed during the three months ending September 30, 2015.

Upon acquiring Espinosa Road in January 2015, we assumed an eminent domain lawsuit brought by the California Department of Transportation ("CalTrans") against the previous owner of the property for approximately 4.5 acres of nonfarmable land. CalTrans had offered $160,000 to the previous owner as payment for the 4.5 acres; however, this offer was rejected. We intend to accept this offer of $160,000 as fair compensation for the 4.5 nonfarmable acres, and we expect this lawsuit to be settled during the second half of 2015.

In connection with our acquisition of Parrish Road in March 2015, for which we initially paid approximately $3.2 million, we committed to providing $700,000 as additional compensation, contingent upon the approval by a local water management district of increases in certain water permits on the property. We expect these permits to be approved during the three months ending September 30, 2015. In addition, we also committed to providing up to an additional $500,000 of capital to the tenant for certain irrigation improvements and upgrades on the property, for which we will earn additional rent on the total amount of capital committed by us. The tenant has informed us of their intention to construct these improvements, and the work is expected to be completed during the three months ending September 30, 2015.

Litigation

We are not currently subject to any material known or threatened litigation.

NOTE 8. LOSS PER SHARE OF COMMON STOCK

The following table sets forth the computation of basic and diluted loss per common share for the three and six months ended June 30, 2015 and 2014. Loss per share is computed using the weighted average number of shares outstanding during the respective periods.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2015	2014	2015	2014
Net loss	$ (30,289)	$ (301,094)	$ (5,715)	$ (280,176)
Weighted average shares of common stock outstanding – basic and diluted	8,439,855	6,530,264	8,098,681	6,530,264
Basic and diluted loss per common share	**$ (0.00)**	**$ (0.05)**	**$ (0.00)**	**$ (0.04)**

NOTE 9. SUBSEQUENT EVENTS

We have evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through August 4, 2015, the day the financial statements were issued.

Purchase and Sale Agreements

On July 1, 2015, we entered into two purchase and sale agreements to acquire two 1,280-acre farms located in Nebraska (each the "1,280-Acre Nebraska Property") for an aggregate purchase price of approximately $11.0 million. Each 1,280-Acre Nebraska Property is each irrigated farmland that is currently farmed primarily for corn, soybeans and potatoes. The prospective purchases of each 1,280-Acre Nebraska Property are expected to close during the three months ending September 30, 2015, subject to customary conditions and termination rights for transactions of this type, including a due diligence inspection period. However, there can be no assurance that these prospective acquisitions will be consummated by that time, on the terms currently anticipated, or at all.

Property and Casualty Recovery

On July 21, 2015, we received the remaining $76,423 of insurance proceeds related to the fire on West Gonzales, which amount will be recognized during the three months ending September 30, 2015. No further recoveries are expected relating to the fire.

Distributions

On July 14, 2015, our Board of Directors declared the following monthly cash distributions to common stockholders:

Record Date	Payment Date	Distribution per Common Share
July 24, 2015	August 4, 2015	$ 0.04
August 20, 2015	August 31, 2015	0.04
September 21, 2015	September 30, 2015	0.04
Total:		**$ 0.12**

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All statements contained herein, other than historical facts, may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may relate to, among other things, future events or our future performance or financial condition. In some cases, you can identify forward-looking statements by terminology such as "may," "might," "believe," "will," "provided," "anticipate," "future," "could," "growth," "plan," "intend," "expect," "should," "would," "if," "seek," "possible," "potential," "likely" or the negative of such terms or comparable terminology. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our business, financial condition, liquidity, results of operations, funds from operations or prospects to be materially different from any future business, financial condition, liquidity, results of operations, funds from operations or prospects expressed or implied by such forward-looking statements and include, but are not limited to:

- *Changes in our industry, interest rates or the general economy;*
- *Natural disasters or climactic changes impacting the regions in which our tenants operate;*
- *The degree and nature of our competition;*
- *Failure to maintain our qualification as a REIT;*
- *Changes in our business strategy; and*
- *Loss of our key personnel.*

For further information about these and other factors that could affect our future results, please see the caption titled "Risk Factors" in our Annual Report on Form 10-K (the "Form 10-K") for the year ended December 31, 2014, which we filed with the Securities and Exchange Commission (the "SEC") on February 24, 2015. We caution readers not to place undue reliance on any such forward-looking statements, which are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this Quarterly Report on Form 10-Q, except as required by law.

All references to "we," "our," "us" and the "Company" in this Quarterly Report mean Gladstone Land Corporation and its consolidated subsidiaries, except where it is made clear that the term refers only to Gladstone Land Corporation.

OVERVIEW

General

We are an externally-managed real estate investment trust ("REIT") that is engaged primarily in the business of owning and leasing farmland; we are not a grower, nor do we farm the properties we own. We currently own 11,467 acres, comprised of 36 farms (15 in California, 12 in Florida, 4 in Michigan, 4 in Oregon and 1 in Arizona) that are leased to 30 different tenants. Our tenants consist of both independent and corporate farming operations, all of which are unrelated to us. We intend to acquire more farmland in these and other states in our regions of focus that is already or will be leased to farmers, and we expect that most of our future tenants will also be independent or corporate farming operations that are unrelated to us. We may also acquire property related to farming, such as cooling facilities, freezer buildings, packinghouses, box barns, silos, storage facilities, greenhouses, processing plants and distribution centers. We generally lease our properties on a triple-net basis, an arrangement under which, in addition to rent, the tenant is required to pay the related taxes, insurance costs (including drought insurance if we were to acquire properties that depend upon rainwater for irrigation), maintenance and other operating costs. We may also elect to sell farmland at certain times, such as when the land could be developed by others for urban or suburban uses.

We were incorporated in 1997, primarily for the purpose of operating strawberry farms through our former subsidiary, Coastal Berry Company, LLC ("Coastal Berry"), an entity that provided growing, packaging, marketing and distribution of fresh berries and other agricultural products. We operated Coastal Berry as our primary business until 2004, when it was sold to Dole Food Company ("Dole"). Since 2004, our operations have consisted of leasing our farms to third-party tenants. We do not currently intend to enter into the business of growing, packing or marketing farmed products.

We conduct substantially all of our investment activities through, and all of our properties are held, directly or indirectly, by, Gladstone Land Limited Partnership (the "Operating Partnership"). We control our Operating Partnership as its sole general partner, and we also currently own, directly or indirectly, all limited partnership units ("OP Units") of our Operating Partnership. We have the ability and expectation to offer equity ownership in our Operating Partnership by issuing OP Units from time to time, in whole or in part, in exchange for agricultural real property. By structuring our acquisitions in this manner, the sellers of the real estate will generally be able to defer the realization of gains until they redeem the OP Units or sell the OP Units for cash. Persons who receive OP Units in our Operating Partnership in exchange for real estate or interests in entities that own real estate will be entitled to redeem these OP Units for cash or, at our election, shares of our common stock on a one-for-one basis at any time after holding the OP Units for one year. We have yet to acquire any properties through issuance of OP Units.

We intend to continue to lease our farm properties to corporate farmers or independent farmers that sell their products through national corporate marketers-distributors. We expect to continue to earn rental and interest income from our investments.

Gladstone Management Corporation (our "Adviser") manages our real estate portfolio pursuant to an advisory agreement, and Gladstone Administration, LLC (our "Administrator") provides administrative services to us pursuant to an administration agreement. Our Adviser and our Administrator collectively employ all of our personnel and pay directly their salaries, benefits and general expenses.

Leases

Most of our agricultural leases are on a triple-net basis and have original terms ranging from 3 to 10 years for properties growing row crops and 5 to 15 years for properties growing permanent crops, often with options to extend the lease further. Rent is generally payable to us on either an annual or semi-annual basis, with one-half due at the beginning of the year and the second half due later in the year. Further, most of our leases contain provisions that provide for annual increases in the rental amounts payable by the tenants, often referred to as escalation clauses. The escalation clauses may specify fixed dollar amount or percentage increases each year, or it may be variable, based on standard cost of living or inflation indices. In addition, some leases that are longer-term in nature may require a regular survey of comparable land rents, with the rent owed per the lease being adjusted to reflect current market rents. We have not entered into any leases that include variable rent based on the success of the harvest each year; however, should we choose to do so, we would generally require the lease to include the guarantee of a minimum amount of rental income that satisfies our investment return criteria. Currently, our 36 farms are leased under original lease terms ranging from 1 to 15 years, with 21 farms leased on a pure triple-net basis, and 15 farms leased on a partial-net basis, with the landlord responsible for all or a portion of the related property taxes. However, due to follow-on leases we have executed on certain of our properties, two of our farms that are currently leased on a partial-net basis will convert to pure triple-net leases in November 2015.

We monitor our tenants' credit quality on an ongoing basis by, among other things, periodically conducting site visits of the properties to ensure farming operations are taking place and to assess the general maintenance of the properties. To date, we have not identified any changes to credit quality of our tenants, and all tenants continue to pay pursuant to the terms of their respective leases.

Lease Expirations

Farm leases are often short-term in nature, so in any given year, we may have multiple leases up for renewal or extension. We had three agricultural leases that were originally due to expire in 2015, all of which have been renewed or extended. These leases were renewed or extended for periods ranging from two to five additional years at rental rates representing an average increase of 9.3% over the respective previous leases. In addition, we renewed one of our leases that was originally scheduled to expire in 2016 for an additional six years at a 32.5% increase in the rental rate. All of these leases were renewed or extended with the existing tenants, thus incurring no downtime on any of the farms. In aggregate, these properties accounted for approximately 4.8% of the total acreage owned as of June 30, 2015, and 15.9% of the total rental income recorded for the six months ended June 30, 2015.

We have one additional agricultural lease due to expire in 2016. We have begun negotiations with the existing tenant on the property, and we anticipate being able to renew the lease prior to its expiration. Further, given the current market conditions in the regions where the farm is located, we expect to be able to renew the lease at a higher rental rate than that of the existing lease. However, there can be no assurance that we will be able to renew the lease at a rate favorable to us, if at all, or be able to find a replacement tenant, if necessary.

The following table summarizes the lease expirations by year for our properties with leases in place as of June 30, 2015:

Year	Number of Expiring Leases	Expiring Leased Acreage	% of Total Acreage	Rental Revenue for the Six Months Ended June 30, 2015	% of Total Rental Revenue
2015 (1)	1	0	0.0%	$ 16,032	0.3%
2016	1	331	2.9%	380,801	7.0%
2017	9	684	6.0%	1,100,220	20.4%
2018	3	370	3.2%	184,242	3.4%
2019	0	0	0.0%	—	0.0%
2020	6	3,888	33.9%	1,634,991	30.3%
Thereafter	11	6,194	54.0%	2,086,497	38.6%
Totals	**31**	**11,467**	**100.0%**	**$ 5,402,783**	**100.0%**

(1) Represents a surface area lease on a portion of one property leased to an oil company that is renewed on a year-to-year basis. The remaining three leases originally scheduled to expire in 2015 were renewed during the six months ended June 30, 2015.

Business Environment

Increasing global demand for food has led to both steady and significant increases in farmland values across the majority of the U.S. over the past decade. According to the U.S. Department of Agriculture (the "USDA"), average per-acre values of U.S. farmland have more than doubled since 2009. Moreover, according to the National Council of Real Estate Investment Fiduciaries ("NCREIF"), the values of U.S. farmland have averaged returns of 12.6% in 2014 and 14.1% annually since 2000. These value increases are even higher for high-quality U.S. cropland (our current investment focus), partially in response to lifestyle shifts away from processed and frozen foods towards fresh produce. While farmland values in parts of the Midwest declined for the first time in decades during 2014, driven by sharply lower grain prices, according to NCREIF, annual cropland in the regions where our properties are located continued to experience steady increases in value, as they have each year since 1990. We expect this trend to become even stronger as per-capita income rises and a higher percentage of household income is dedicated toward food.

Domestic and global population growth is a major driver behind the overall increased value and demand for farmland. According to the Food and Agriculture Organization of the United Nations, global population is expected to grow by 34% between 2009 and 2050. In contrast, over the same period, the area of arable land is projected to expand by only 5%, with the ongoing trend of rapid urbanization and conversion of farmland continuing at an accelerating pace. Quality farmland in the U.S. currently has a near-zero vacancy rate, compared to vacancy rates of over 14% for office space, according to a recent quarterly report released by CBRE Group, Inc. Further, according to the USDA, approximately 40% of all U.S. farm acreage is operated by non-owners, and we expect that several factors, including steadily-increasing land prices, the increasing average age of farmers in the U.S. and expanding government crop insurance programs that encourage farmers to invest more in expanding their operations than in owning more farmland, exist that will influence growers toward renting versus owning their own farmland. Given the trends currently driving increased demand for farmland, we do not believe vacancy rates for U.S. farmland will increase over the short- or long-term.

We believe that population growth and the rising demand for food and U.S. farmland, which is drastically mismatched with the shrinking supply of farmland, will result in a strong increase in demand for our farms over the long-term, enabling us to consistently increase the rental rates on our farms. We also expect that the values of our farmland will increase at rates greater than that of inflation, helping to offset the impact of expected rising interest rates. However, while increased development and changing patterns of use are likely to increase the land values and rents in our portfolio, it could also result in upward pressure on prices for farms that we seek to acquire. We intend to mitigate this risk by continuing to seek out superior and diversified cropland across the U.S. and including annual escalations and market-rate adjustments to the rental rates in our leases.

Concerns over water rights and the overall availability of water have been a major cause in the slowing of acreage increases of U.S. croplands. In California, the recent drought has driven prices for farmland located in highly-desirable regions with water accessibility upwards and has forced many producers to either cut back on acres in production or move to less-desirable regions. Fortunately, the drought has had little impact on our farms, since all of our properties have their own water sources via wells which undergo thorough testing to ensure adequate depth, flow and crop coverage. Despite the impact of last year's drought, the weather in California over the past year has been favorable for fresh produce, particularly strawberries, as quality and yields have remained high. Moreover, major relief is expected for those areas impacted by the drought in California. The National Oceanic Atmospheric Administration is expecting the 2015 El Niño phase of the El Niño Southern Oscillation ("El Niño"), which typically brings heavy rainfall to California during the fall and winter seasons, to rival the strongest El Niño in recorded history, predicting it to last into the spring of 2016. In Florida, fruit and vegetable production experienced its strongest spring in over four years, as a result of ideal weather, excellent quality and inconsistent production out of Mexico. Blueberry production conditions have also been excellent this year in the Pacific Northwest, where four of our farms are located. However, in the unlikely event that our tenants begin to experience significant losses due to the drought, a major mitigating factor is the recently-enacted U.S. farm bill, the Agricultural Act of 2014 (the "Farm Bill"). In addition to increasing government subsidy amounts and improving existing crop insurance program for farmers, the Farm Bill has also expanded the emergency programs to provide significantly better coverage to such events as disaster and drought relief.

Recent Developments

Investment Activity

During the six months ended June 30, 2015, we acquired four farms in three separate transactions, which are summarized in the table below:

Property Name	Property Location	Acquisition Date	Total Acreage	Number of Farms	Primary Crop(s)	Lease Term	Renewal Options	Total Purchase Price	Acquisition Costs	Annualized Straight-line Rent(1)
Espinosa Road(2)	Salinas, CA	1/5/2015	331	1	Strawberries	1.8 years	None	$16,905,500	$ 87,512 (3)	$ 778,342
Parrish Road	Duette, FL	3/10/2015	419	1	Strawberries	10.3 years	2 (5 years)	3,913,280	101,610 (3)	251,832
Immokalee Exchange	Immokalee, FL	6/25/2015	2,678	2	Misc. Vegetables	5.0 years	2 (5 years)	15,757,700	148,960 (3)	960,104
			3,428	4				$36,576,480	$ 338,082	$1,990,278

(1) Annualized GAAP amount is based on the minimum rental payments required per the lease and includes the amortization of any above-market and below-market lease values recorded.

(2) In connection with this acquisition, our Adviser earned a finder's fee of $320,905, which fee was fully credited back to us by our Adviser during the three months ended March 31, 2015.

(3) Acquisition accounted for as a business combination under ASC 805. As such, all acquisition-related costs were expensed as incurred, other than direct leasing costs, which were capitalized. In aggregate, we incurred $7,225 of direct leasing costs in connection with these acquisitions.

In addition, we are currently entered into the following purchase agreements:

Date Entered Into	Gross Acres	State	Primary Crop(s)	Purchase Price
6/17/2015	841	CA	Almonds (1)	$18,922,500
7/1/2015	1,280	NE	Corn, soybeans and potatoes	5,504,000
7/1/2015	1,280	NE	Corn, soybeans and potatoes	5,504,000
	3,401			$29,930,500

(1) Property is currently planted with wine grape vineyards. However, if we acquire the property, we intend to develop the entire property with new almond trees.

Leasing Activity

The following significant leasing events occurred with regard to our already-existing properties:

- *Keysville Road.* On February 9, 2015, we terminated the lease with the tenant occupying 59 acres of farmland near Plant City, Florida, and, on February 10, 2015, entered into a lease with a new tenant to occupy the property. The new lease is scheduled to expire on June 30, 2020, four years beyond that of the previous lease, and provides for rent escalations over its life, with minimum, annualized straight-line rental income of $73,749, representing a 7.9% increase over that of the previous lease. In connection with the termination of the previous lease, during the six months ended June 30, 2015, we wrote off $32,497 of rental income that had been recorded in prior periods.
- *Spring Valley.* On February 23, 2015, we renewed the lease with the tenant occupying 145 acres of farmland near Watsonville, California, which was originally set to expire on September 30, 2016. The lease was renewed for an additional six years, through September 30, 2022, and provides for rent escalations over its life, with minimum annualized, straight-line rental income of $327,904, representing a 32.5% increase over that of the previous lease. The new lease also grants the tenant two options to extend the lease for an additional six years each.
- *Santa Clara.* On April 8, 2015, the tenant occupying 333 acres of farmland near Oxnard, California, exercised its option to extend the two existing leases, which were originally set to expire on July 31, 2015. The leases were extended for an additional two years, through July 31, 2017, and provide for aggregate annualized straight-line rental income of approximately $1,303,000, representing a 5.8% increase over that of the previous leases.
- *Dalton Lane.* On April 13, 2015, we renewed the lease with the tenant occupying 72 acres of farmland near Watsonville, California, which was originally set to expire on October 31, 2015. The lease was renewed for an additional five years, through October 31, 2020, and provides for rent escalations over its life, with annualized, straight-line rental income of approximately $164,000, representing a 16.8% increase over that of the previous lease. The new lease also grants the tenant one option to extend the lease for an additional five years.

Financing Activity

Farm Credit

Since January 1, 2015, we have closed on three separate loans with Farm Credit of Central Florida, FLCA (“Farm Credit”), for an aggregate amount of approximately $5.9 million. Terms of each of these notes are summarized in the following table:

Date of Issuance	Initial Commitment	Maturity Date	Current Balance Outstanding	Principal Amortization	Interest Rate Terms (1)
3/10/2015	2,374,680	5/1/2020	$ 2,374,680	None	3.20%, fixed throughout term
4/9/2015	897,600	6/1/2020	897,600	None	3.20%, fixed throughout term
5/8/2015	2,640,000	5/1/2030	2,640,000	None(2)	2.90%, fixed through 4/30/2018; variable thereafter (1-mo LIBOR + 3.00%)

(1) Rates are before interest repatriation. Interest patronage received for 2014 reduced the stated interest rate by 12.7%.
(2) Interest only through April 30, 2018. Note converts to a 20-year amortization thereafter.

Proceeds from these notes were used to repay existing indebtedness, to fund new property acquisitions and for other general corporate purposes.

Farmer Mac

Pursuant to a bond purchase agreement we entered into on December 5, 2014, with Federal Agricultural Mortgage Corporation ("Farmer Mac") and Farmer Mac Mortgage Securities Corporation for a secured note purchase facility that provides for bond issuances up to an aggregate principal amount of $75.0 million (the "Farmer Mac Facility"), we have issued two bonds since January 1, 2015, the terms of each of which are summarized in the following table.

Date of Issuance	Initial Commitment	Maturity Date	Current Balance Outstanding	Principal Amortization	Interest Rate Terms
1/5/2015	$10,178,000	1/6/2020	$ 10,178,000	None	3.25%, fixed throughout term
6/25/2015	9,360,000	7/30/2018	9,360,000	None	2.60%, fixed throughout term

Proceeds from these bond issuances were used for new property acquisitions.

2015 Equity Issuance

On May 15, 2015, we completed a public offering of our common stock at a public offering price of $11.40 per share, and, on June 10, 2015, the underwriters exercised a portion of their over-allotment option, which closed on June 15, 2015 (collectively, the "2015 Follow-on Offering"). As a result of our 2015 Follow-on Offering, we issued 1,306,597 shares of our common stock, resulting in gross proceeds of approximately $14.9 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $13.8 million. Proceeds received from the 2015 Follow-on Offering were used to repay existing indebtedness, to fund new property acquisitions, and for other general corporate purposes.

Portfolio Diversity

Since our initial public offering in January 2013 (the "IPO"), we have expanded our portfolio of 12 farms leased to 7 different, unrelated tenants to a current portfolio of 36 farms leased to 30 different, unrelated tenants. While our focus remains in farmland suitable for growing fresh produce row crops, we have also begun to diversify our portfolio into farmland suitable for other crop types, including permanent crops, consisting primarily of blueberries, and certain commodity crops, consisting primarily of corn and beans. The following table summarizes the different sources of revenues for our properties with leases in place as of and for the six months ended June 30, 2015 and 2014:

	As of and For the Six Months Ended June 30, 2015				As of and For the Six Months Ended June 30, 2014				Annualized Straight-line Rental Income as of June 30, 2015[1]	
Revenue Source	Total Farmable Acres	% of Total Farmable Acres	Rental Revenue	% of Total Farmable Revenue	Total Farmable Acres	% of Total Farmable Acres	Rental Revenue	% of Total Revenue	Total Rental Revenue	% of Total Revenue
Annual row crops – fresh produce[2]	6,903	78.2%	$4,324,577	80.0%	4,719	71.0%	$2,252,175	73.7%	$ 9,801,035	82.0%
Annual row crops – commodity crops[3]	1,460	16.5%	220,281	4.1%	1,469	22.1%	203,035	6.6%	444,767	3.7%
Subtotal – Total annual row crops	8,363	94.7%	4,544,858	84.1%	6,188	93.1%	2,455,210	80.3%	10,245,802	85.7%
Permanent crops[4]	466	5.3%	280,284	5.2%	457	6.9%	236,032	7.7%	561,268	4.7%
Subtotal – Total crops	8,829	100.0%	4,825,142	89.3%	6,645	100.0%	2,691,242	88.0%	10,807,070	90.4%
Facilities and other[5]	—	0.0%	577,641	10.7%	—	0.0%	365,685	12.0%	1,153,270	9.6%
Total	**8,829**	**100.0%**	**$5,402,783**	**100.0%**	**6,645**	**100.0%**	**$3,056,927**	**100.0%**	**$ 11,960,340**	**100.0%**

(1) Annualized straight-line rent amount is based on the minimum rental payments required per the leases in place as of June 30, 2015, and includes the amortization of any above-/below-markiet lease values and tenant improvements paid for by the tenant.

(2) Includes berries and other fruits, such as strawberries, raspberries and melons, and vegetables, such as cabbage, carrots, celery, cucumbers, lettuce, mint, onions, peas, peppers, potatoes, radicchio, spinach and tomatoes.

(3) Includes beans, corn, grass and wheat.

(4) Includes blueberries, avocados and lemons.

(5) Consists primarily of rental revenue from: (i) farm-related facilities, such as coolers, packinghouses, distribution centers, residential houses for tenant farmers and other minor farm-related buildings; (ii) a surface area lease with an oil company on a small parcel of one of our properties; and (iii) unused areas on certain of our farms.

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Our acquisition of 24 farms since our IPO has also allowed us to further diversify our portfolio geographically. The following table summarizes the different geographic locations of our properties with leases in place as of and for the six months ended June 30, 2015 and 2014:

	As of and For the Six Months Ended June 30, 2015				As of and For the Six Months Ended June 30, 2014				Annualized GAAP Rental Income as of June 30, 2015(1)	
State	Total Acres	% of Total Acres	Rental Revenue	% of Total Rental Revenue	Total Acres	% of Total Acres	Rental Revenue	% of Total Rental Revenue	Total Rental Revenue	% of Total Rental Revenue
California	2,722	23.7%	$3,712,894	68.7%	1,599	24.8%	$2,051,017	67.1%	$ 7,500,128	62.7%
Florida	4,401	38.4%	820,834	15.2%	496	7.7%	240,304	7.9%	2,715,498	22.7%
Oregon	2,313	20.2%	583,763	10.8%	2,313	35.9%	492,121	16.1%	1,169,925	9.8%
Arizona	1,761	15.4%	161,935	3.0%	1,761	27.4%	145,328	4.7%	328,075	2.7%
Michigan	270	2.3%	123,357	2.3%	270	4.2%	128,157	4.2%	246,714	2.1%
	11,467	**100.0%**	**$5,402,783**	**100.0%**	**6,439**	**100.0%**	**$3,056,927**	**100.0%**	**$11,960,340**	**100.0%**

(1) Annualized straight-line rent amount is based on the minimum rental payments required per the leases in place as of June 30, 2015, and includes the amortization of any above-/below-markiet lease values and tenant improvements paid for by the tenant.

Our Adviser and Administrator

We are externally managed pursuant to a contractual investment advisory arrangement (the “Advisory Agreement”) with our Adviser, under which our Adviser directly employs certain of our personnel and pays their payroll, benefits and general expenses directly, and our Administrator provides administrative services to us pursuant to a separate administration agreement with our Administrator (the “Administration Agreement”). A summary of each of these agreements is provided in Note 4 to our consolidated financial statements in our 2014 Form 10-K. There were no material changes to either of these agreements during the six months ended June 30, 2015.

Critical Accounting Policies

The preparation of our financial statements in accordance with U.S. generally accepted accounting principles (“GAAP”) requires management to make judgments that are subjective in nature to make certain estimates and assumptions. Application of these accounting policies involves the exercise of judgment regarding the use of assumptions as to future uncertainties, and, as a result, actual results could materially differ from these estimates. A summary of our significant accounting policies is provided in Note 2 to our consolidated financial statements in our 2014 Form 10-K. There were no material changes to our critical accounting policies during the six months ended June 30, 2015.

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RESULTS OF OPERATIONS

A comparison of our operating results for the three and six months ended June 30, 2015 and 2014 is below:

	For the Three Months Ended June 30, 2015	2014	$ Change	% Change
Operating revenues:				
Rental revenues	$ 2,780,456	$ 1,561,291	$1,219,165	78.1%
Tenant recovery revenue	3,397	4,644	(1,247)	-26.9%
Total operating revenues	2,783,853	1,565,935	1,217,918	77.8%
Operating expenses:				
Depreciation and amortization	711,803	330,486	381,317	115.4%
Management fee	328,392	236,531	91,861	38.8%
Administration fee	177,852	65,047	112,805	173.4%
Professional fees	84,135	110,605	(26,470)	-23.9%
Acquisition-related expenses	178,016	177,334	682	0.4%
Property operating expense	156,405	81,480	74,925	92.0%
General and administrative	252,579	206,975	45,604	22.0%
Total operating expenses	1,889,182	1,208,458	680,724	56.3%
Operating income	894,671	357,477	537,194	150.3%
Other income (expense)				
Interest and other income	1,593	4,327	(2,734)	-63.2%
Interest expense	(947,362)	(405,797)	(541,565)	-133.5%
Property and casualty recovery (loss), net	20,809	(250,478)	271,287	108.3%
Total other expense	(924,960)	(651,948)	(273,012)	-41.9%
Net loss before income taxes	(30,289)	(294,471)	264,182	89.7%
Income tax provision	—	(6,623)	6,623	N/A
Net loss	$ (30,289)	$ (301,094)	$ 270,805	89.9%

N/A = Not Applicable

	For the Six Months Ended June 30, 2015	2014	$ Change	% Change
Operating revenues:				
Rental revenues	$ 5,402,783	$ 3,056,927	$ 2,345,856	76.7%
Tenant recovery revenue	6,794	4,644	2,150	46.3%
Total operating revenues	5,409,577	3,061,571	2,348,006	76.7%
Operating expenses:				
Depreciation and amortization	1,503,435	618,517	884,918	143.1%
Management fee, net of credits	303,235	477,495	(174,260)	-36.5%
Administration fee	308,788	131,205	177,583	135.3%
Professional fees	251,043	289,592	(38,549)	-13.3%
Acquisition-related expenses	348,697	220,746	127,951	58.0%
Property operating expense	362,170	147,065	215,105	146.3%
General and administrative	483,025	424,290	58,735	13.8%
Total operating expenses	3,560,393	2,308,910	1,251,483	54.2%
Operating income	1,849,184	752,661	1,096,523	145.7%
Other income (expense)				
Interest and other income	21,023	10,724	10,299	96.0%
Interest expense	(1,896,731)	(779,837)	(1,116,894)	-143.2%
Property and casualty recovery (loss), net	20,809	(250,478)	271,287	108.3%
Total other expense	(1,854,899)	(1,019,591)	(835,308)	-81.9%
Net loss before income taxes	(5,715)	(266,930)	261,215	97.9%
Income tax provision	—	(13,246)	13,246	N/A
Net loss	$ (5,715)	$ (280,176)	$ 274,461	98.0%

N/A = Not Applicable

Operating Revenues

Rental revenues increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year period, primarily as a result of the rental income attributable to 10 additional farms that we acquired since June 30, 2014. For the three and six months ended June 30, 2015, we recorded additional rental income of approximately $1,006,000 and $1,941,000, respectively, as a result of the farms we acquired since June 30, 2014, and approximately $180,000 and $339,000, respectively, on farms held as of June 30, 2014, primarily as a result of our ability to renew existing leases at higher rates and earning additional revenue on capital improvements constructed on certain properties. On a same-property basis, which only includes properties owned for the entirety of both periods presented, rental income increased by approximately $54,000, or 3.5%, and $62,000, or 2.0%, for the three and six months ended June 30, 2015, respectively, due to renewals of existing leases or new leases being put in place at higher rental rates.

Tenant recovery revenue represents real estate taxes and insurance premiums paid on certain of our properties that, per the leases, are required to be reimbursed by the tenant. The increase during the six months ended June 30, 2015, was due to additional premiums we paid for certain insurance policies on one of our properties in accordance with the lease. A corresponding amount was also recorded as property operating expenses during the respective periods.

Operating Expenses

Depreciation and amortization expenses increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, as a result of the additional farms we acquired, as mentioned above, and additional site improvements made on existing properties since June 30, 2014. For the three and six months ended June 30, 2015, we recorded additional depreciation and amortization expense of approximately $349,000 and $760,000, respectively, as a result of the 10 farms we acquired since June 30, 2014, and approximately $33,000 and $125,000, respectively, on farms held as of June 30, 2014, as a result of capital improvements made on certain of those properties. On a same-property portfolio basis, depreciation and amortization expense decreased by approximately $12,000, or 3.7%, for the three months ended June 30, 2015, due to certain lease intangible amortization periods expiring, and increased by approximately $12,000, or 1.9%, for the six months ended June 30, 2015, as a result of capital improvements made on certain of those properties.

The gross management fee paid to our Adviser increased for both the three and six months ended June 30, 2015, as compared to the prior-year periods, primarily as a result of follow-on common stock offerings we completed since June 30, 2014. In September and October of 2014, we raised approximately $14.0 million of net proceeds, and in May and June of 2015, we raised approximately $13.8 million of net proceeds. However, in connection with one of our acquisitions during the three months ended March 31, 2015, our Adviser earned a finder's fee from a third party of $320,905, which the Adviser applied as a credit to the management fee we owed to our Adviser for the three months ended March 31, 2015.

The administration fee paid to our Administrator increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, primarily due to a change in the calculation, which resulted in an increase in the percentage of the overall fee allocated to us. Beginning July 1, 2014, the allocation of the administration fee was revised such that the fee is now based upon the percentage of time employees of the Administrator spend on our matters in relation to other companies serviced by our Administrator, versus the old methodology whereby the fee was generally allocated based upon our total assets in relation to other companies managed by our Adviser.

Professional fees, consisting primarily of legal and accounting fees, decreased for both the three and six months ended June 30, 2015, as compared to the prior-year periods, primarily as a result of additional fees incurred during the respective prior-year periods for work performed related to our REIT conversion.

Acquisition-related expenses generally consist of legal fees and fees incurred for third-party reports prepared in connection with potential acquisitions and the related due diligence analyses. Acquisition-related expenses increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, primarily as a result of acquiring larger properties during the three and six months ended June 30, 2015, as compared to the respective prior-year periods. In connection with the four farms acquired during the six months ended June 30, 2015, we incurred $338,082 of aggregate acquisition-related costs. Of this amount, during the three and six months ended June 30, 2015, $147,687 and $330,857, respectively, was expensed as incurred, while $4,600 and $7,225, respectively, was capitalized and allocated among the assets acquired during the respective periods. In addition, $7,642 of the acquisition-related costs incurred in connection with the farms we acquired during the six months ended June 30, 2015, was expensed during prior periods. For the five farms acquired during the six months ended June 30, 2014, we recorded $168,546 of acquisition-related costs. Of this amount, $7,175 was capitalized and allocated among the assets acquired, while the remaining amount was expensed as incurred. In general, we are incurring more acquisition-related expenses during 2015 than we were incurring during 2014 due to a larger pipeline of investments, in part because we curtailed our acquisition activity during the first six months of 2014 to focus on closing the credit facility with Metropolitan Life Insurance Company ("MetLife"), stalling our investment activity during the first half of 2014.

Property operating expenses consist primarily of real estate taxes, franchise taxes, insurance expense and other overhead expenses paid for certain of our properties. Property operating expenses increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, primarily due to additional property taxes incurred related to certain properties acquired during the last 12 months. For the three and six months ended June 30, 2015, we accrued approximately $133,000 and $284,000, respectively, of real estate taxes related to certain of our properties, which included the recognition of certain 2014 supplemental tax assessments, as compared to approximately $63,000 and $85,000 during the respective prior-year periods. Based on our current portfolio, we expect our quarterly accrual for our portion of our properties' real estate taxes to be approximately $149,000 through October 31, 2015, at which point we expect the amount to decrease to approximately $106,000, due to two of our current modified gross leases converting to pure, triple-net leases.

General and administrative expenses increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, primarily as a result of increased state filing fees and overhead insurance costs due to having a larger portfolio, as well as increased costs related to advertising and marketing.

Other Income (Expense)

Interest and other income increased for the six months ended June 30, 2015, as compared to the prior-year period, primarily due to interest patronage received from Farm Credit. During the six months ended June 30, 2015, we received $14,856 from Farm Credit of interest repatriation related to interest accrued during 2014, which resulted in a 12.7% decrease in our effective interest rate on our aggregate borrowings from Farm Credit during the year ended December 31, 2014.

Interest expense increased for both the three and six months ended June 30, 2015, as compared to the respective prior-year periods, primarily due to increased overall borrowings. The weighted-average balance of our aggregate borrowings for the three and six months ended June 30, 2015, was $103.5 million and $104.0 million, respectively, as compared to $42.4 million and $41.9 million, respectively, for the respective prior-year periods. The overall effective interest rate charged on our aggregate borrowings, excluding the impact of deferred financing costs, for the three and six months ended June 30, 2015, was 3.6% and 3.5%, respectively, as compared to 3.7% and 3.6% for the respective prior-year periods.

LIQUIDITY AND CAPITAL RESOURCES

Overview and Future Capital Needs

Since our IPO in January 2013, we have invested approximately $143.2 million into 24 new farms, and we have expended or accrued an additional $6.0 million for capital improvements on existing properties. All of the proceeds received in connection with our IPO and follow-on offerings have been expended, with the majority being invested into new property acquisitions. A significant portion of the proceeds from the IPO and follow-on offerings was also used to pay distributions to our stockholders, to repay existing indebtedness, for improvements on existing properties and for other general corporate purposes. Our current available liquidity is approximately $18.3 million, consisting of $1.8 million in cash and, based on the current level of collateral pledged, $16.5 million of availability under our credit facility with MetLife (the “MetLife Credit Facility”), subject to compliance with covenants.

We intend to use our available liquidity to purchase additional farms and farm-related properties, as well as for other general corporate purposes. Currently, our maximum buying power, assuming all properties were pledged to a borrowing facility, is approximately $41.0 million. We are actively seeking and evaluating acquisitions of additional farm properties that satisfy our investment criteria, and our pipeline of potential acquisitions remains healthy. We currently have six properties that are under either a signed purchase and sale agreement or a signed, non-binding letter of intent for an aggregate proposed purchase price of approximately $44.8 million, and we have many other properties that are in various other stages of our due diligence process. However, all potential acquisitions will be subject to our due diligence investigation of such properties, and there can be no assurance that we will be successful in identifying or acquiring any properties in the future.

Our short- and long-term liquidity requirements consist primarily of funding farmland acquisitions and other investments consistent with our investment strategy, as well as making principal and interest payments on outstanding borrowings. Further short-term liquidity needs include making distributions to maintain our qualification as a REIT and funding our operations. Our current sources of funds are primarily operating cash flows and borrowings, including the undrawn commitments available under the MetLife Credit Facility and the Farmer Mac Facility. We believe that these cash resources will be sufficient to fund our distributions to stockholders, service our debt and fund our current operating costs in the near term. We expect to meet our long-term liquidity requirements through various sources of capital, including future equity issuances (including OP Units through our Operating Partnership as consideration for future acquisitions), long-term mortgage indebtedness and other secured and unsecured borrowings.

As of June 30, 2015, our total-debt-to-total-capitalization ratio, at book value, was 60.6%, which is up from 59.0% as of December 31, 2014. We are currently exploring other options available to provide us with additional capital, including negotiations with several other lenders. In addition, we currently have the ability to raise up to $285.0 million of additional equity capital through the sale and issuance of securities that are registered under our registration statements on Form S-3 (File No. 333-194539) and Form S-11 (File No. 333-199896) in one or more future offerings. However, should the market value of our common stock held by non-affiliates fall below $75.0 million, we would be limited in the amount of securities we may sell on Form S-3 to an aggregate market value of securities of no more than one-third of the aggregate market value of common stock held by non-affiliates of ours in any 12-month period. The market value of our common stock held by non-affiliates is currently in excess of $75.0 million, thus precluding the aforementioned limitation; however, this determination is subject to change based on the market value of our common stock and the percentage of common stock held by affiliates of ours.

The following table summarizes total cash flows for operating, investing and financing activities for the six months ended June 30, 2015 and 2014:

	2015	2014	Change ($)	Change (%)
Net cash provided by operating activities	$ 1,606,010	$ 737,235	$ 868,775	117.8%
Net cash used in investing activities	(37,164,705)	(12,534,787)	(24,629,918)	-196.5%
Net cash provided by (used in) financing activities	36,098,060	(644,139)	36,742,199	5704.1%
Change in Cash and Cash Equivalents	$ 539,365	$(12,441,691)	$ 12,981,056	104.3%

Operating Activities

The majority of cash from operating activities is generated from the rental payments we receive from our tenants, which is utilized to fund our property-level operating expenses, with any excess cash being primarily used for principal and interest payments on our borrowings, management fees to our Adviser, administrative fees to our Administrator and other corporate-level expenses. The increase in cash provided by operating activities during the six months ended June 30, 2015, as compared to the prior-year period, was primarily due to additional rental payments received from farms we have acquired during the past 12 months. This increase was partially offset by increases in certain operating expenses as a result of increased acquisition activity, as well as an increase in cash paid for interest due to increased borrowings during the six months ended June 30, 2015.

Investing Activities

The increase in cash used in investing activities during the six months ended June 30, 2015, as compared to the prior-year period, was primarily due to the acquisition of additional farms during the six months ended June 30, 2015, which exceeded that of the prior-year period by approximately $24.5 million.

Financing Activities

The increase in cash provided by (used in) financing activities during the six months ended June 30, 2015, as compared to the prior-year period, was primarily due to an increase in our net borrowings during the six months ended June 30, 2015, which exceeded that of the prior-year period by approximately $22.9 million, as well as the proceeds received from our 2015 Follow-on Offering, from which we received net cash proceeds of approximately $14.0 million.

Borrowings

MetLife Credit Facility

On May 9, 2014, we closed on a facility with MetLife that consists of a $100.0 million long-term note payable that is scheduled to mature on January 5, 2029 (the "MetLife Note Payable"), and a $25.0 million revolving equity line of credit that is scheduled to mature on April 5, 2024 (the "MetLife Line of Credit" and, together with the MetLife Note Payable, the "MetLife Credit Facility"). Initial advances under the MetLife Note Payable bear interest at a fixed rate of 3.50% per annum, plus an unused line fee of 0.20% on undrawn amounts, and interest rates for subsequent disbursements are based on prevailing market rates at the time of such disbursements. The interest rates on the initial advance and any subsequent disbursements will be subject to adjustment every three years. If we have not drawn the full commitment amount of $100.0 million by December 31, 2016, MetLife has the option to be relieved of its obligation to disburse the additional funds under this loan. Currently, there is approximately $66.3 million outstanding under the MetLife Note Payable that bears interest at a blended rate of 3.61% per annum. Advances under the MetLife Line of Credit initially bear interest at a variable rate equal to the three-month LIBOR plus a spread of 2.50%, with a minimum annualized rate of 2.75%, plus an unused fee of 0.20% on undrawn amounts. The interest rate spread on borrowings under the MetLife Line of Credit will be subject to adjustment in April 2017. Currently, there is $2.8 million outstanding under the MetLife Line of Credit that bears interest at a rate of 2.78% per annum. While approximately $55.9 million of the full commitment amount remains undrawn, based on the current level of collateral pledged, we currently have approximately $16.5 million of availability under the MetLife Credit Facility.

Farm Credit Notes Payable

Since September 19, 2014, we have closed on six separate loans with Farm Credit for an aggregate amount of approximately $18.4 million (collectively, the “Farm Credit Notes Payable”). We currently have $17.8 million outstanding under the Farm Credit Notes Payable that bear interest at an expected weighted-average effective rate (net of expected interest repatriation) of 2.95% and have a weighted-average maturity date of May 2031. While we don’t currently have any availability under the Farm Credit Notes Payable, based on the properties currently pledged as collateral, we expect to enter into additional borrowing agreements with Farm Credit in connection with certain potential new acquisitions, though there can be no assurance that we will be able to enter into agreements with terms favorable to us, or at all.

Farmer Mac Facility

On December 5, 2014, we entered into an agreement with Farmer Mac that provides for bond issuances up to an aggregate amount of $75.0 million. To date, we have issued aggregate bonds of approximately $23.2 million under the facility that bear interest at a weighted-average rate of 2.99% and have a weighted-average maturity date of June 2019. While approximately $51.8 million of the full commitment balance remains undrawn, based on the current level of collateral pledged, we currently have no availability under the Farmer Mac Facility. However, we expect to pledge certain potential new property acquisitions as collateral under the Farmer Mac Facility to utilize this availability. If we have not issued bonds such that the aggregate bond issuances total $75.0 million by December 11, 2016, Farmer Mac has the option to be relieved of its obligation to purchase additional bonds under this facility.

2015 Equity Issuance

On May 15, 2015, we completed a public offering of our common stock at a public offering price of $11.40 per share, and, on June 10, 2015, the underwriters exercised a portion of their over-allotment option, which closed on June 15, 2015. As a result of our 2015 Follow-on Offering, we issued 1,306,597 shares of our common stock, resulting in gross proceeds of approximately $14.9 million and net proceeds, after deducting underwriting discounts and offering expenses borne by us, of approximately $13.8 million. We used the proceeds received from the 2015 Follow-on Offering to repay existing indebtedness, to fund new property acquisitions and for other general corporate purposes.

Off-Balance Sheet Arrangements

As of June 30, 2015, we did not have any off-balance sheet arrangements.

NON-GAAP FINANCIAL INFORMATION

Funds from Operations and Adjusted Funds from Operations

The National Association of Real Estate Investment Trusts (“NAREIT”) developed funds from operations (“FFO”) as a relative non-GAAP supplemental measure of operating performance of an equity REIT to recognize that income-producing real estate historically has not depreciated on the same basis determined under GAAP. FFO, as defined by NAREIT, is net income (computed in accordance with GAAP), excluding gains or losses from sales of property and impairment losses on property, plus depreciation and amortization of real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. We further present core funds from operations (“CFFO”) and adjusted funds from operations (“AFFO”) as additional non-GAAP financial measures, as we believe both CFFO and AFFO improve comparability on a period-over-period basis and are more useful supplemental metrics for investors to use in assessing our operational performance on a more sustainable basis than FFO.

We calculate CFFO by beginning with FFO and adjusting for the following items:

- *Acquisition-related expenses*. Acquisition-related expenses (i.e., due diligence costs) are incurred for investment purposes and do not correlate with the ongoing operations of our existing portfolio. Further, due to the inconsistency in which these costs are incurred and how they are treated for accounting purposes, we believe the exclusion of these expenses improves comparability of our results on a period-to-period basis.

- *Acquisition-related accounting fees*. Certain auditing and accounting fees we incur are directly related to acquisitions and vary depending on the number and complexity of acquisitions completed during a period. Due to the inconsistency in which these costs are incurred, we believe the exclusion of these expenses improves comparability of our results on a period-to-period basis. We modified our definition of AFFO to include an adjustment for these costs beginning with the three months ended March 31, 2015, and will apply the same modified definition of AFFO for all prior-year periods presented to provide consistency and better comparability.
- *Income tax provision.* We have elected to be treated as a REIT for federal tax purposes beginning with our taxable year ended December 31, 2013. As a REIT, we generally will not be subject to federal income taxes on amounts distributed to our stockholders, provided we meet certain conditions. As such, we believe it is beneficial for investors to view our results of operations excluding the impact of income taxes.
- *Other one-time charges and receipts.* We will adjust for certain non-recurring charges and receipts and will explain such adjustments accordingly.

Further, we calculate AFFO by beginning with CFFO and adjusting for the following items:

- *Cash rent adjustment.* This adjustment removes the effects of straight-lining rental income, as well as the amortization related to above- and below-market lease values and tenant improvements, resulting in rental income reflected on a modified accrual cash basis. In addition to these adjustments, beginning with the three months ended June 30, 2015, we modified our calculation in our definition of AFFO to provide greater consistency and comparability due to the period-to-period volatility in which cash rents are received. To coincide with our tenants' harvest seasons, our leases typically provide for cash rents to be paid at various points throughout the lease year, such as annually or semi-annually. As a result, cash rents received during a particular period may not necessarily be comparable to other periods and do not represent the cash rents indicative of a given lease year. Therefore, we have adjusted AFFO to normalize the cash rent received pertaining to a lease year over that respective lease year on a straight-line basis. We will apply the same modified definition of AFFO for all prior-year periods presented to provide consistency and better comparability.
- *Amortization of deferred financing costs.* The amortization of costs incurred to obtain financing is excluded from AFFO, as it is a non-cash expense item.

The following table provides a reconciliation of our FFO, CFFO and AFFO for the three and six months ended June 30, 2015 and 2014 to the most directly-comparable GAAP measure, net loss, and a computation of basic and diluted FFO, CFFO and AFFO per weighted-average share of common stock:

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2014	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
Net income available to common stockholders	$ (30,289)	$ (301,094)	$ (5,715)	$ (280,176)
Plus: Real estate and intangible depreciation and amortization	711,803	330,486	1,503,435	618,517
FFO available to common stockholders	681,514	29,392	1,497,720	338,341
Plus: Acquisition-related expenses	178,016	177,334	348,697	220,746
Plus: Acquisition-related accounting fees	13,750	(500)	48,750	23,250
Plus: Income tax provision	—	6,623	—	13,246
(Minus) plus: Other one-time (receipts) charges, net(1)	(20,809)	250,478	(10,844)	250,478
CFFO available to common stockholders	852,471	463,327	1,884,323	846,061
Net adjustment for cash rents(2)	(158,449)	(110,196)	(255,045)	(196,446)
Plus: Amortization of deferred financing costs	22,902	12,038	43,927	20,013
AFFO available to common stockholders	$ 716,924	$ 365,169	$ 1,673,205	$ 669,628
Weighted average common shares outstanding – basic & diluted	8,439,855	6,530,264	8,098,681	6,530,264
FFO per weighted average common share – basic and diluted	$ 0.08	$ 0.00	$ 0.18	$ 0.05
CFFO per weighted average common share – basic and diluted	$ 0.10	$ 0.07	$ 0.23	$ 0.13
AFFO per weighted average common share – basic and diluted	$ 0.08	$ 0.06	$ 0.21	$ 0.10

(1) 2015 adjustments consists of the removal of (i) $20,809 of insurance proceeds received during the three months ended June 30, 2015, and (ii) $9,965 of repairs incurred as a result of the fire on the cooler on West Gonzales that were expensed during the three months ended March 31, 2015. The 2014 adjustment consisted of the property and casualty loss, net, recorded during the three months ended June 30, 2014.

(2) Using our previous definition of AFFO, the net adjustment for cash rents for the three and six months ended June 30, 2014, would have been an increase of $199,656 and $270,578, respectively.

FFO, CFFO and AFFO do not represent cash flows from operating activities in accordance with GAAP, which, unlike FFO, CFFO and AFFO, generally reflects all cash effects of transactions and other events in the determination of net income, and should not be considered an alternative to net income as an indication of our performance or to cash flows from operations as a measure of liquidity or ability to make distributions. Comparisons of FFO, CFFO and AFFO, using the NAREIT definition for FFO and the definitions above for CFFO and AFFO, to similarly-titled measures for other REITs may not necessarily be meaningful due to possible differences in the definitions used by such REITs.

FFO, CFFO and AFFO available to common stockholders is FFO, CFFO and AFFO, respectively, adjusted to subtract distributions made to holders of preferred stock, if applicable. We believe that net loss available to common stockholders is the most directly-comparable GAAP measure to each FFO, CFFO and AFFO available to common stockholders. Basic funds from operations ("Basic FFO"), basic core funds from operations ("Basic CFFO") and basic adjusted funds from operations ("Basic AFFO") per share are FFO, CFFO and AFFO, respectively, available to common stockholders divided by the number of weighted-average shares of common stock outstanding during a period. Diluted funds from operations ("Diluted FFO"), diluted core funds from operations ("Diluted CFFO") and diluted adjusted funds from operations ("Diluted AFFO") per share are FFO, CFFO and AFFO, respectively, available to common stockholders divided by the number of weighted-average shares of common stock outstanding on a diluted basis during a period. We believe that net loss is the most directly-comparable GAAP measure to each FFO, CFFO and AFFO, basic EPS is the most directly-comparable GAAP measure to each Basic FFO, CFFO and AFFO per share, and diluted EPS is the most directly-comparable GAAP measure to each Diluted FFO, CFFO and AFFO per share.

We believe that FFO, CFFO and AFFO available to common stockholders, Basic FFO, CFFO and AFFO per share and Diluted FFO, CFFO and AFFO per share are useful to investors because they provide investors with a further context for evaluating our FFO, CFFO and AFFO results in the same manner that investors use net income and earnings per share ("EPS") in evaluating net income available to common stockholders. In addition, because many REITs provide FFO, CFFO and AFFO available to common stockholders, Basic FFO, CFFO and AFFO per share, and Diluted FFO, CFFO and AFFO per share information to the investment community, we believe these are useful supplemental measures when comparing us to other REITs.

Net Asset Value

The following table provides certain summary information about our 36 farm properties held as of June 30, 2015.

Property Name	Location	Date Acquired	No. of Farms	Total Acres	Farm Acres	Net Cost Basis(1)	Prior Fair Value(2)	Current Fair Value
San Andreas	Watsonville, CA	6/16/1997	1	307	238	$ 4,806,449	$ 11,344,000	$ 11,344,000 (4)
West Gonzales	Oxnard, CA	9/15/1998	1	653	502	12,309,315	50,662,000	50,662,000 (4)
West Beach	Watsonville, CA	1/3/2011	3	196	195	9,304,059	9,980,000	9,980,000 (4)
Dalton Lane	Watsonville, CA	7/7/2011	1	72	70	2,690,463	2,959,000	2,959,000 (4)
Keysville Road	Plant City, FL	10/26/2011	2	59	56	1,241,322	1,548,000	1,548,000 (5)
Colding Loop	Wimauma, FL	8/9/2012	1	219	181	4,013,732	4,400,000	4,400,000 (5)
Trapnell Road	Plant City, FL	9/12/2012	3	124	110	4,025,042	4,806,500	4,806,500 (5)
38th Avenue	Covert, MI	4/5/2013	1	119	89	1,293,824	1,411,000	1,476,000 (4)
Sequoia Street	Brooks, OR	5/31/2013	1	218	206	3,127,897	3,135,000	3,352,000 (4)
Natividad Road	Salinas, CA	10/21/2013	1	166	166	8,189,239	7,607,000	7,607,000 (4)
20th Avenue	South Haven, MI	11/5/2013	3	151	94	1,837,778	2,080,000	2,080,000 (4)
Broadway Road	Moorpark, CA	12/16/2013	1	60	60	2,891,102	3,403,000	3,403,000 (4)
Oregon Trail	Echo, OR	12/27/2013	1	1,895	1,640	13,955,285	14,301,000	14,301,000 (4)
East Shelton	Willcox, AZ	12/27/2013	1	1,761	1,320	7,972,401	7,900,000	7,900,000 (5)
Collins Road	Clatskanie, OR	5/30/2014	2	200	157	2,478,279	2,729,000	2,729,000 (4)
Spring Valley	Watsonville, CA	6/13/2014	1	145	110	5,807,119	5,900,000	6,439,000 (4)
McIntosh Road	Dover, FL	6/20/2014	2	94	78	2,553,622	2,666,000	2,722,000 (4)
Naumann Road	Oxnard, CA	7/23/2014	1	68	66	6,821,216	6,888,500	6,888,500 (3)
Sycamore Road	Arvin, CA	7/25/2014	1	326	322	6,387,629	5,800,000	5,800,000 (3)
Wauchula Road	Duette, FL	9/29/2014	1	808	590	13,521,618	13,765,000	13,765,000 (3)
Santa Clara Avenue	Oxnard, CA	10/29/2014	2	333	331	24,313,506	24,592,000	24,592,000 (3)
Dufau Road	Oxnard, CA	11/4/2014	1	65	64	6,090,913	6,125,600	6,125,600 (3)
Espinosa Road	Salinas, CA	1/5/2015	1	331	329	16,725,452	16,905,500	16,905,500 (3)
Parrish Road	Duette, FL	3/10/2015	1	419	211	3,867,252	3,913,280	3,913,280 (3)
Immokalee Exchange	Immokalee, FL	6/25/2015	2	2,678	1,644	15,762,300	—	15,757,700 (3)
			36	**11,467**	**8,829**	**$181,986,814**	**$214,821,380**	**$231,456,080**

(1) Consists of the initial acquisition price (including the costs allocated to both tangible and intangible assets acquired and liabilities assumed), plus subsequent improvements and other capitalized costs associated with the properties, and adjusted for depreciation and amortization accumulated through June 30, 2015.
(2) As reported in our Quarterly Report on Form 10-Q for the three months ended March 31, 2015.
(3) Valued at the purchase price paid.
(4) Represents values as determined by our internal valuation process, as described below.
(5) Represents values as determined by third-party appraisals performed between July 2014 and April 2015.

Real estate companies are required to record real estate using the historical cost basis of the real estate, adjusted for accumulated depreciation and amortization, and, as a result, the carrying value of the real estate does not typically change as the fair value of the assets change. Thus, a difficulty in owning shares of an asset-based company is determining the fair value of the assets so that stockholders can see the value of the assets increase or decrease over time. For this reason, we believe determining the fair value of our real estate assets is useful to our investors.

Determination of Fair Value

We have adopted a valuation policy (the "Valuation Policy") approved by our Board of Directors, which reviews and approves valuation recommendations that are provided by professionals of the Adviser and Administrator, with oversight and direction from the Chief Valuation Officer, who is also employed by the Administrator (collectively, the "Valuation Team"). In determining the fair value of our properties, the Valuation Team, led by the Chief Valuation Officer, uses the Valuation Policy, which has been approved by our Board of Directors, and each quarter, our Board of Directors reviews the Valuation Policy to determine if changes thereto are advisable and also reviews whether the Valuation Team has applied the Valuation Policy consistently.

For properties acquired within 12 months prior to the date of valuation, the purchase price of the property generally is used as the current fair value. For real estate we acquired more than one year prior to the date of valuation, we have determined the fair value either by relying on estimates provided by independent, third-party appraisers or through an internal valuation process. We intend to have each property valued by an independent, third-party appraiser at least once every three years, with interim values generally being determined by our internal valuation process.

Various methodologies were used, both by the appraisers and in our internal valuations, to determine the fair value of our real estate on an "As Is" basis, including the sales comparison, income capitalization (or a discounted cash flow analysis) and cost approaches of valuation. In performing their analyses, the appraisers (i) performed site visits to the properties, (ii) discussed each property with our Adviser and reviewed property-level information, including, but not limited to, property operating data, prior appraisals (as available), existing lease agreements, farm acreage, location, access to water and water rights, potential for future development and other property-level information, and (iii) reviewed information from a variety of sources about regional market conditions applicable to each of our properties, including, but not limited to, recent sale prices of comparable farmland, market rents for similar farmland, estimated marketing and exposure time, market capitalization rates and the current economic environment, among others. In performing our internal valuations, we will consider the most recent appraisal available and use similar methodologies in determining an updated fair value. We will also obtain updated market data related to the property, such as updated sales and market rent comparisons and market capitalization rates, and perform an updated assessment of the tenants' credit risk profiles, among others. Sources of this data may come from market inputs from recent acquisitions of our own portfolio of real estate, recent appraisals of properties we own that are similar in nature and in the same region (as applicable) as the property being valued, market conditions and trends we observe in our due diligence process and conversations with appraisers, brokers and farmers.

A breakdown of the methodologies used to value our properties and the aggregate value as of June 30, 2015, determined by each method is shown in the table below:

Valuation Method	No. of Farms	Value	% of Total Value
Purchase Price	10	$ 93,747,580	40.5%
Third-party Appraisal	7	18,654,500	8.1%
Internal Valuation	19	119,054,000 (1)	51.4%
Total	**36**	**$231,456,080**	**100.0%**

(1) 96.3% of this valuation, or approximately $114.6 million, is supported by values as determined by third-party appraisals performed between January 2013 and May 2014. The difference of $4.5 million represents the net appreciation of those properties since the time of the respective appraisals, as determined according to our internal valuation process.

Some of the significant assumptions used by appraisers and the Valuation Team in valuing our portfolio as of June 30, 2015, include land values per farmable acre, market rental rates per farmable acre and capitalization rates, among others. These assumptions were applied on a farm-by-farm basis and were selected based on several factors, including comparable land sales, surveys of both existing and current market rates, discussions with other brokers and farmers, soil quality, size, location and other factors deemed appropriate. A summary of these significant assumptions is provided in the following tables:

	Appraisal Assumptions		Internal Valuation Assumptions	
	Range *(Low - High)*	Weighted Average	Range *(Low - High)*	Weighted Average
Land Value (per farmable acre)	$4,500 - $32,000	$ 18,371	$8,408 - $87,338	$ 57,932
Market Rent (per farmable acre)	$193 - $1,576	$ 887	$443 - $3,932	$ 2,683
Market Capitalization Rate	3.12% - 5.00%	4.20%	4.30% - 6.50%	4.90%

The tables above apply only to the farmland portion of our portfolio and exclude assumptions made relating to farm-related property, such as cooling facilities and box barns, and other structures on our properties, including residential housing and horticulture, as their aggregate value was deemed to be immaterial in relation to that of the farmland.

Our Valuation Team reviews the appraisals, including the significant assumptions and inputs used in determining the appraised values, and considers any developments that may have occurred since the time the appraisals were performed. Developments considered that may have an impact on the fair value of our real estate include, but are not limited to, changes in tenant credit profiles; changes in lease terms, such as expirations and notices of non-renewals or to vacate; and potential asset sales, particularly those at prices different from the appraised values of our properties.

Management believes that the purchase prices of the farms acquired during the previous 12 months, the most recent appraisals available for the farms acquired prior to the previous 12 months that were not valued internally, which appraisals were performed between the periods of July 2014 and April 2015, and the farms that were valued internally during the previous 12 months, fairly represent the current market values of the properties as of June 30, 2015, and, accordingly, did not make any adjustment to these values.

A quarterly rollforward of the change in our portfolio value for the three months ended June 30, 2015, from the prior value basis as of March 31, 2015, is provided in the table below:

Total portfolio fair value as of March 31, 2015		**$214,821,380**
Plus Acquisitions:		
Immokalee Exchange	$15,757,700	
Total acquisitions for the three months ended June 30, 2015		15,757,700
Plus Value Appreciation:		
38th Avenue	35,000	
Sequoia Street	78,000	
Spring Valley	760,000	
McIntosh Road	66,000	
Total appreciation for the three months ended June 30, 2015		939,000
Total portfolio fair value as of June 30, 2015		**$231,518,080**

In addition, using a discounted cash flow analysis, management determined that the fair value of all encumbrances on our properties as of June 30, 2015, was $110.2 million, as compared to a carrying value of $110.5 million.

Calculation of Net Asset Value

To provide our stockholders with an estimate of the fair value of our real estate assets, we intend to estimate the fair value of our farm properties, expressed in terms of net asset value (“NAV”) per share, and provide that to our stockholders on a quarterly basis. NAV is a non-GAAP, supplemental measure of financial position of an equity REIT. NAV is calculated as total stockholders’ equity, adjusted for the increase or decrease in fair value of our real estate assets and encumbrances relative to their respective costs bases (“Estimated Net Worth”). Estimated Net Worth is then divided by our total common shares outstanding to calculate the NAV per share.

As of June 30, 2015, we estimate the NAV per share to be $13.42, as detailed below:

Total assets	$ 189,215,674	
Less: net cost basis of tangible real estate and intangible lease assets(1)	(182,605,060)	
Plus: estimated fair value of property portfolio(2)	231,456,080	
Estimated fair value of total assets		$238,066,694
Total liabilities	117,315,502	
Less: net cost basis of intangible lease liabilities(3)	(618,246)	
Less: book value of aggregate borrowings	(110,461,166)	
Plus: fair value of aggregate borrowings(4)	110,239,972	
Estimated fair value of total liabilities		116,476,062
Estimated Net Worth		$121,590,631
Shares outstanding		9,060,314
Estimated NAV per share		**$ 13.42**

(1) Adjusted for $45,386 of net above-market lease values, included in Other assets on the accompanying *Condensed Consolidated Balance Sheet.*

(2) Per current value basis presented in the table above.

(3) Adjusted for $101,780 of net below-market lease values and $516,466 of unamortized tenant improvements, both included in Other liabilities on the accompanying *Condensed Consolidated Balance Sheet.*

(4) Valued using a discounted cash flow model.

A quarterly rollforward in the estimated NAV per share for the three months ended June 30, 2015, is provided below:

Estimated NAV per share as of March 31, 2015		**$13.91**
Plus net loss		(0.00)
Plus Change in Valuations:		
Net change in unrealized appreciation of farmland portfolio(1)	$0.08	
Net change in unrealized fair value of borrowings	0.03	
Net change in valuations		0.11
Less Distributions		(0.12)
Less Dilutive effect of offering		(0.48)
Estimated NAV per share as of June 30, 2015		**$13.42**

(1) The net change in unrealized appreciation of farmland portfolio consists of three components: (i) an increase of $0.10 due to the appreciation in value of five farms that were valued during the three months ended June 30, 2015, (ii) an increase of $0.08 due to the aggregate depreciation and amortization expense recorded during the three months ended June 30, 2015, and (iii) a decrease of $0.10 due to capital improvements made on certain properties that have not yet been included as a corresponding increase to the respective properties' fair values.

Comparison of NAV, using the above definition, to similarly-titled measures for other REITs, may not necessarily be meaningful, due to possible differences in the calculation or application of the definition of NAV used by such REITs. In addition, the trading price of our common shares may differ significantly from our most recent estimated NAV per share calculation. For example, while we estimated the NAV per share as of June 30, 2015, to be $13.42 per the calculation above, the closing price of our common stock on June 30, 2015, was $10.34, and it has subsequently traded between $9.32 and $11.10 per share.

While management believes the values presented reflect current market conditions, the ultimate amount realized on any asset will be based on the timing of such dispositions and the then-current market conditions. There can be no assurance that the ultimate realized value upon disposition of an asset will approximate the fair value above.

We intend to report any adjustments to the NAV, as well as to the values of our properties, in this section on a quarterly basis, but in no case less than annually. However, the determination of NAV is subjective and involves a number of assumptions, judgments and estimates, and minor inaccuracies in our assumptions may have a material impact on our overall portfolio valuation. In addition, many of the assumptions used are sensitive to market conditions and can change frequently. Changes in the market environment and other events that may occur during our ownership of these properties may cause the values reported above to vary from the actual fair value that may be obtained in the open market.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market-sensitive instruments. The primary market risk that we believe we are and will be exposed to is interest rate risk. While none of our existing leases contain escalations based on market interest rates, certain of our existing borrowings are subject to variable interest rates. Further, the interest rates on certain of our fixed-rate borrowings are either fixed for a finite period before converting to variable rate or are subject to adjustment every three years. Although we seek to mitigate this risk by structuring certain provisions into many of our leases, such as escalation clauses or adjusting the rent to prevailing market rents at two- to three-year intervals, these features do not eliminate this risk. To date, we have not entered into any derivative contracts to attempt to manage our exposure to interest rate fluctuations.

There have been no material changes in the quantitative and qualitative market risk disclosures for the three months ended June 30, 2015, from that disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, as filed with the SEC on February 24, 2015.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2015, our management, including our chief executive officer and chief financial officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective as of June 30, 2015, in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our chief executive officer and our chief financial officer, as appropriate to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of necessarily achieving the desired control objectives, and management was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2015, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently subject to any proceeding involving a claim for damages that exceeds 10% of our current assets as consolidated without subsidiaries, nor, to our knowledge, are any such material legal proceedings threatened against us.

Item 1A. Risk Factors

Our business is subject to certain risks and events that, if they occur, could adversely affect our financial condition and results of operations and the trading price of our securities. For a discussion of these risks, please refer to the section captioned "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2014, filed by us with the Securities and Exchange Commission on February 24, 2015. The risks described in our Form 10-K are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may materially and adversely affect our business, financial condition and/or operating results in the future.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities

None.

Issuer Purchases of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit Number	Exhibit Description
3.1	Articles of Incorporation of the Registrant, incorporated by reference to Exhibit 3.1 to Pre-Effective Amendment No. 2 to the Registration Statement on Form S-11 (File No. 333-183965), filed November 2, 2012.
3.2	Amended and Restated Bylaws of the Registrant, incorporated by reference to Exhibit 3.2 to Pre-Effective Amendment No. 3 to the Registration Statement on Form S-11 (File No. 333-183965), filed November 15, 2012.
4.1	Form of Common Stock Certificate of the Registrant, incorporated by reference to Exhibit 4.1 to Pre-Effective Amendment No. 4 to the Registration Statement on Form S-11 (File No. 333-183965), filed December 27, 2012.
10.1	Agreement of Purchase and Sale by and among the Registrant, Giumarra Farms, Inc., and Giumarra Brothers Fruit, LLC, dated June 17, 2015 (filed herewith)
11	Computation of Per Share Earnings from Operations (included in the notes to the unaudited financial statements contained in this Report).
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
32.2	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).
101.INS***	XBRL Instance Document
101.SCH***	XBRL Taxonomy Extension Schema Document
101.CAL***	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB***	XBRL Taxonomy Extension Label Linkbase Document
101.PRE***	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF***	XBRL Definition Linkbase

*** Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of June 30, 2015, and December 31, 2014, (ii) the Condensed Consolidated Statements of Operations for the three and six months ended June 30, 2015 and 2014, (iii) the Condensed Consolidated Statements of Stockholders Equity for the six months ended June 30, 2015, and the year ended December 31, 2014, (iv) the Condensed Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014 and (vi) the Notes to the Condensed Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Gladstone Land Corporation
Date: August 4, 2015	By: /s/ Lewis Parrish
	Lewis Parrish Chief Financial Officer
Date: August 4, 2015	By: /s/ David Gladstone
	David Gladstone Chief Executive Officer and Chairman of the Board of Directors

Exhibit 10.1

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT (the "Agreement") is made as of the 17 day of June, 2015 (the "Effective Date"), between Giumarra Farms, Inc., a California corporation ("Giumarra Farms"), Giumarra Brothers Fruit, LLC, a California limited liability company ("Giumarra Fruit", together with Giumarra Farms, collectively the "Seller"), and Gladstone Land Corporation, a Maryland corporation, or its designee (the "Purchaser").

WHEREAS, Seller has agreed to sell and Purchaser has agreed to purchase the Property (as hereinafter defined);

NOW, THEREFORE, in consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Certain Definitions. For purposes of this Agreement, the following terms shall have the following definitions:

"Closing Date" shall mean the last day of the Inspection Period. If Purchaser extends the Inspection Period by 15 days as set forth below, the Closing Date shall be extended by a corresponding number of days.

"Contracts" shall mean, collectively, any and all service, maintenance, management or other contracts or agreements with third parties relating to or affecting the Property.

"Due Diligence Materials" shall mean those materials and information more particularly described on Exhibit B attached hereto and incorporated by reference herein.

"Earnest Money" shall mean the sum of Two Hundred Thousand and No/100 Dollars ($200,000.00), together with all interest accrued thereon.

"GAP" shall mean good agricultural practices.

"Government Payments" shall mean all federal, state and local government payments, benefits and entitlements associated with or applicable to the Property or any crops grown thereon, including without limitation any applicable direct payments or counter-cyclical payments under the Farm Security and Rural Investment Act of 2002, as amended.

"Inspection Period" shall mean the period beginning on the Effective Date and ending at 5:00 p.m. local time at the Property on the date which is sixty (60) days after the Effective Date. Purchaser may extend the Inspection Period by fifteen (15) additional days by written notice to Seller prior to expiration of the initial Inspection Period.

"Improvements" shall mean all buildings, structures, gates, fences, roads, levees, ditches, grain bins, silos, appurtenances or other facilities currently existing on the Property, including without limitation all Irrigation Equipment, which are affixed to the Land and not removable on a regular basis.

“Irrigation Equipment” shall mean all below ground, surface and above ground irrigation equipment at the Property owned by Seller, including without limitation water wells, pumps, casings, risers, above and below ground pipes and pipelines, culverts, overhead irrigation equipment, drip irrigation equipment, and pivot irrigation equipment, and all related power units, as applicable. Notwithstanding the foregoing, above ground irrigation pipelines which are not permanently affixed to the Land and which are moved according to crops grown shall not be a part of the Irrigation Equipment. All the Irrigation Equipment shall be deemed to be part of the Improvements to be conveyed to Purchaser.

“Land” shall mean that certain real property consisting of three (3) ranches totaling 841.07 gross acres in Arvin, California with the APNs 189-290-15, 189-290-16, 189-290-20, 189-290-33, 189-290-39, 189-340-10, 189-340-13, 189-240-37, and 189-280-01, together with all rights, easements, hereditaments and appurtenances thereunto belonging.

“Property” shall mean the Land and Improvements, specifically including without limitation all Water Rights.

“Purchase Price” shall mean the total amount of Eighteen Million Nine Hundred Twenty Two Thousand Five Hundred and No/100 Dollars ($18,922,500.00), subject to adjustment as set forth in this Agreement.

“Purchaser’s Address” shall mean:

Gladstone Land Corporation
Attention: Bill Reiman
1521 Westbranch Drive, Suite 100
McLean, VA 22102
(805) 263-4778 (T)
(703) 287-5915 (F)
Email: bill.r@gladstoneland.com

With copy to:

Bass Berry & Sims PLC
Attention: Robert P. McDaniel, Jr.
100 Peabody Place, Suite 900
Memphis, TN 38103
(901) 543-5943 (T)
(888) 765-6437 (F)
Email: rmcdaniel@bassberry.com

“Seller’s Address” shall mean:

Giumarra Brothers Ranches, LLC,
Giumarra Farms, Inc., and
Giumarra Brothers Fruit, LLC
Attn: John Giumarra, Jr.
PO Box 1969
Bakersfield, CA
661-395-7100 (T)
Email: john@grapeking.com

"Title Company" shall mean: Chicago Title Insurance Company, Attn: Melody Rochelle, 5516 Falmouth St., Ste. 200, Richmond, VA 23230.

"Water Rights" shall mean all rights to use wells and other water sources that exist on the Effective Date that benefit or are appurtenant to the Property and that may be reasonably necessary to conduct farming operations at the Property as currently conducted and in accordance with GAP.

2. Property. Seller hereby agrees to sell and Purchaser, or its designee, hereby agrees to purchase, the Property from the Seller in its existing condition, "AS IS", "WHERE IS", "WITH ALL FAULTS" except as otherwise expressly set forth herein. Without limiting the foregoing, during the Inspection Period, Purchaser and Seller shall use their best efforts to negotiate a lease (by and between Purchaser as landlord and seller as tenant) for certain residential buildings located on the Property, for a term of twelve (12) months commencing at Closing, and otherwise on terms and conditions reasonably acceptable to each of Purchaser and Seller (the "Residential Building Lease").

3. Earnest Money. Within three (3) business days after the later of (x) the Effective Date or (y) the date of full execution of this Agreement by both Seller and Purchaser, Purchaser shall deposit the Earnest Money with the Title Company by wire transfer or certified or cashier's check. Said Earnest Money shall be refundable to Purchaser in accordance with this Agreement.

4. Purchase Price. At the Closing, defined below, all Earnest Money shall be applied to the Purchase Price, and the balance of the Purchase Price, subject to adjustments for credits and debits as set forth in this Agreement, shall be paid in good funds by wire transfer.

5. Inspection Period; Refund of Earnest Money; Due Diligence Materials.

(a) Purchaser shall have until the expiration of the Inspection Period to make such determinations with respect to the Property as Purchaser deems appropriate and to elect to either continue or terminate this Agreement, in Purchaser's sole and absolute discretion, for any reason or no reason. Purchaser may terminate this Agreement, and receive a full refund of the Earnest Money, less $10.00 to be retained by Seller as consideration for entering into this Agreement, by delivering written termination notice to Seller at any time prior to expiration of the Inspection Period. If Purchaser does not so terminate this Agreement, the Earnest Money shall thereafter be refundable to Purchaser only as expressly otherwise set forth in this Agreement, and this Agreement shall remain in effect.

(b) Within ten (10) days after the Effective Date, Seller shall deliver to Purchaser at Seller's sole expense the Due Diligence Materials. For each day of Seller's delay in delivering all of the Due Diligence Materials beyond ten (10) days after the Effective Date, the Inspection Period and Closing Date shall (at Purchaser's option) may be extended by one (1) day. Seller shall also promptly provide any other documents or information in Seller's possession or control relating to the Property or any Contract that is reasonably requested by Purchaser.

6. Costs and Prorations.

(a) Purchaser shall pay the costs of any Survey obtained by Purchaser pursuant to Section 9 hereof, the costs of any Phase I environmental report obtained by Purchaser, fifty percent (50%) of all transfer taxes, document stamps and recording costs applicable to the deed of transfer, fifty percent (50%) of the premium for Purchaser's Title Policy, defined below, and fifty percent (50%) of any costs of production of the title search or abstract for the Property. Seller shall pay for the preparation of the deed of transfer, fifty percent (50%) of all transfer taxes, document stamps and recording costs applicable to the deed of transfer, fifty percent (50%) of the premium for Purchaser's Title Policy, defined below, and fifty percent (50%) of any costs of production of the title search or abstract for the Property. Purchaser shall pay all expenses incident to any financing obtained for the purchase of the Property. All other closing costs shall be borne in accordance with the custom in Kern County, California. Notwithstanding the foregoing or anything herein to the contrary, the parties acknowledge and agree that the Seller shall be obligated to pay all taxes, utilities and expenses relating to the properties which are the subject of the Residential Lease during the term of such lease(s).

(b) The following shall be prorated between the parties as of the Closing Date: (i) ad valorem property taxes constituting a lien against the Property for the year in which the Closing occurs and all other unpaid assessments with respect thereto, and (ii) any rents and other tenant charges, utilities, and operating expenses for the Property for the calendar month (or other applicable period if such rents or other tenant charges are not paid monthly) in which Closing occurs. In the event such proration is based upon a previous year's taxes or assessment, after Closing, at such time as any of the taxes or assessments are capable of exact determination, the party having the information permitting the exact determination shall send to the other party a detailed report of the exact determination so made. Within thirty (30) days after both Seller and Purchaser shall have received such report, Seller and Purchaser shall adjust the amounts apportioned pursuant to the estimates made at Closing to reflect the exact determinations contained in the report, and Seller or Purchaser, as the case may be, shall pay to the other whatever amount shall be necessary to compensate for the difference.

7. Conditions Precedent To Purchaser's Obligations. Seller acknowledges that as a condition precedent to Purchaser's obligations hereunder, the following shall occur on or before the Closing Date (or any earlier date indicated below), any of which conditions may be waived by Purchaser in its sole discretion:

(a) Purchaser shall have received, at Purchaser's expense, a current Phase I environmental assessment satisfactory to Purchaser prepared by a competent licensed environmental engineer satisfactory to Purchaser that does not recommend a Phase II environmental assessment and reflecting that there are no hazardous wastes, hazardous materials or fuel (or other storage) tanks located above, on or below the surface of the Property, and that the Property is in compliance with all applicable environmental laws, ordinances, rules and regulations.

(b) No later than five (5) business days prior to the Closing Date, Purchaser shall have entered into a lease with a new tenant for the Property, in form and substance acceptable to Purchaser.

(c) No later than five (5) business days prior to the Closing Date, Seller shall have entered into a sublease, to be effective as of the Closing Date and to be subordinate to and subject to the terms of Residential Lease, with the current occupant of each residential site on the Property which is acceptable to Purchaser in its discretion.

(d) The Title Company shall be irrevocably committed to issue upon Closing a 2006 ALTA Owner's Policy of Title Insurance (the "Title Policy"), as evidenced by a "marked up" Title Commitment, defined below, insuring Purchaser as owner of fee simple title to the Property, subject only to Permitted Exceptions (defined below), in the amount of the Purchase Price, and containing such endorsements as Purchaser shall have requested.

(e) Each and every representation and warranty of Seller set forth in Section 11 shall be true and correct in all material respects, and Seller shall not be in default under any of its other obligations under this Agreement, as of Closing.

8. Closing; Deed.

(a) Subject to all preconditions set forth herein, the closing or settlement ("Closing") of the transaction contemplated hereby, unless terminated in accordance with this Agreement or as otherwise agreed upon by Purchaser and Seller, shall be held via the mails, through the Title Company at 10:00 a.m. on the Closing Date or such other place and time as the parties may agree in writing.

(b) At Closing, Seller shall convey to Purchaser good, marketable and insurable title to the Property by grant deed acceptable to Purchaser and the Title Company (the "Deed"), subject to (i) standard exceptions for real property taxes not yet due and payable, (ii) any other matters which are waived by, or acceptable to, Purchaser pursuant to Section 10 below (the "Permitted Exceptions"), and (iii) a reservation of subsurface mineral rights by Seller (without right of surface access) in form and substance to be agreed upon by the parties prior to the expiration of the Inspection Period. The Land description in the Deed shall be the property description from Seller's vesting deed(s); provided, that if Purchaser obtains a Survey of the Property, Seller also agrees to execute and deliver a recordable Quit Claim Deed to Purchaser at Closing using the Survey description.

9. Survey. During the Inspection Period, Purchaser, at Purchaser's expense, may cause a survey of the Property to be prepared by a surveyor selected by Purchaser ("Survey").

10. Title. During the Inspection Period, Purchaser shall procure a title insurance commitment in the amount of the Purchase Price covering the Property issued by the Title Company (the "Title Commitment") and furnish a copy thereof to Seller. Purchaser shall have forty five (45) days after the Effective Date to object to any matters shown on the Title Commitment or Survey by written notice to Seller ("Title Objection Notice"). Purchaser may also object to any new matters thereafter revealed by a title update by subsequent Title Objection Notice to Seller. Within five (5) business days after receipt of Purchaser's Title Objection

Notice, Seller shall either (i) deliver written notice to Purchaser of any title or Survey objections which Seller elects not to cure, or (ii) cure or satisfy such objections (or commence to cure or satisfy such objections as long as Seller reasonably believes such objections may be cured or satisfied at least two (2) business days prior to Closing). In the event that Seller does not deliver written notice to Purchaser of any title or Survey objections which Seller elects not to cure within such five (5) day period, Seller shall be deemed to have elected to cure all such objections. Within five (5) business days after receipt of Seller's written notification that Seller elects not to cure a title or Survey objection, Purchaser may terminate this Agreement and receive a full refund of the Earnest Money by delivering written notice thereof to Seller. If Purchaser does not so terminate this Agreement, then any such title or Survey objection which Seller elects not to cure shall be deemed waived by Purchaser and shall be an additional Permitted Exception. If any objection which Seller elects to cure is not satisfied by Seller at least two (2) business days before the scheduled date of Closing, Purchaser shall have the right to terminate this Agreement, in which case the Earnest Money shall be returned to Purchaser and neither party shall have any further rights, obligations or duties under this Agreement. If Seller does cure or satisfy the objections at least two (2) business days prior to Closing, then this Agreement shall continue in effect. Any exception to or defect in title which Purchaser shall elect to waive, or which is otherwise acceptable to Purchaser, shall be deemed an additional Permitted Exception to title at Closing. Seller covenants and agrees not to alter or encumber in any way Seller's title to the Property after the date hereof. Notwithstanding anything in this Agreement to the contrary, Seller shall cause any deed of trust, mortgage, deed to secure debt, judgment or other lien for a liquidated sum encumbering the Property to be released at or before Closing.

11. Seller's Representations and Warranties. As of the date hereof and as of the Closing Date (as evidenced by Seller's downdate certificate to be provided at Closing), Seller represents, warrants and covenants to Purchaser that:

(a) Other than the Seller (and certain employees of Seller occupying the residences on the Property), there are no parties in possession of any portion of the Property as lessees, and no other party has been granted an oral or written license, lease, option, purchase agreement or other right pertaining to the use, purchase or possession of any portion of the Property, and at Closing and there will be no party in possession of any portion of the Property as lessee (or otherwise), other than Seller under the Residential Lease.

(b) There are no written leases, lease agreements, occupancy agreements, or other agreements by and between Seller and its employees or any other party for the current occupancy of certain of the residential sites on the Property).

(c) The Seller has not received notice of any default (nor is there any default) under any note or deed of trust related to or secured by the Property. The execution and delivery of this Agreement, the consummation of the transaction herein contemplated and the compliance with the terms and provisions hereof will not conflict with or (with or without notice or the passage of time or both) result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, loan agreement or instrument to which the Seller is a party or by which the Seller or the Property is bound, any applicable regulation or any judgment, order or decree of any court having jurisdiction over the Seller or the Property.

(d) The Seller has not received any notice, nor is the Seller aware, of any violation of any ordinance, regulation, law, statute, rule or restriction relating to the Property.

(e) There are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any applicable debtor relief laws or any other litigation contemplated by or pending or threatened against the Seller or the Property.

(f) Each Seller entity has been duly organized and is validly existing under the laws of the State of California. Seller has the full right and authority to enter into this Agreement and to transfer all of the Property to be conveyed by Seller pursuant hereto and to consummate or cause to be consummated the transactions contemplated herein to be made by Seller. The person signing this Agreement on behalf of each Seller entity is authorized to do so. This Agreement constitutes, and all agreements and documents contemplated hereby (when executed and delivered pursuant hereto) will constitute, the valid and legally binding obligations of Seller, enforceable in accordance with their respective terms. No other signatures or approvals are required to make this Agreement fully enforceable by the Purchaser with respect to the Seller or the Property. This Agreement constitutes, and all agreements and documents contemplated hereby (when executed and delivered pursuant hereto) will constitute, the valid and legally binding obligations of Seller, enforceable in accordance with their respective terms.

(g) The Seller has and will convey to the Purchaser good, marketable and indefeasible title in fee simple to the Property, subject only to the Permitted Exceptions.

(h) There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property or any part thereof, nor to the knowledge of the Seller is any such proceeding or assessment contemplated by any governmental authority. There will be no claim against the Property or Purchaser for or on account of work done, materials furnished, and utilities supplied to the Property prior to the Closing Date. To Seller's knowledge, there are no public plans or proposals for changes in road grade, access, or other municipal improvements which would adversely affect the Property or result in any assessment; and no ordinance authorizing improvements, the cost of which might be assessed against Purchaser or the Property, is pending.

(i) Except as disclosed in the Due Diligence Materials, no Improvements on the Land are located is within the area determined to be within any flood hazard areas, including the 100-year flood plain on the Flood Insurance Rate Map published by the Federal Emergency Management Agency and/or by the United States Army Corps of Engineers and/or Kern County and/or the State of California.

(j) Seller has not entered into any agreement to dispose of its interest in the Property or any part thereof, except for this Agreement.

(k) Seller is not a party to any litigation which is still pending, and knows of no threatened litigation, affecting or relating to the Property.

(l) Neither the Seller, nor to Seller's knowledge, any other party has ever caused or permitted any "hazardous material" (as hereinafter defined) to be placed, held, located, or disposed of on, under, or at the Property or any part thereof in forms or concentrations which violate applicable laws and regulations, and, to Seller's knowledge, neither the Property nor any part thereof has ever been used as a dump or storage site (whether permanent or temporary) for any hazardous material. As used herein, "hazardous material" means and includes any hazardous, toxic, or dangerous waste, substance, or material defined as such in, or for purposes of, the Comprehensive Environmental Response, Compensation Liability Act (42 U.S.C. Section 9601, et seq., as amended) or any other "super fund" or "super lien" law or any other Federal, State, or local statute, or law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability for standards of conduct concerning any substance or material, as presently in effect. The Property does not currently contain any underground or above ground storage tanks and any storage tanks previously located on the Property (whether above ground or below ground) have been removed in accordance with the requirements of all applicable laws with "clean closure" or "no further action" letter(s), or comparable letters, issued by the State of California in connection therewith. Without limiting the other provisions of this Section 11(k), there has never been any release or spill of oil, fuel or any other substance stored in storage tanks of any kind on the Property.

Seller hereby indemnifies and holds harmless Purchaser from and against any and all loss, expense (including without limitation reasonable attorney fees), liability, cost, claim, demand, action, cause of action and suit arising out of or in any way related to any breach of any representation, warranty, covenant or agreement of Seller in this Agreement.

12. Broker and Broker's Commission; Consulting Fee. Purchaser and Seller acknowledge that Morgan Houchin of Tech AG Financial Group ("Seller's Broker") is acting as the broker in connection with this agreement, and the Seller will be responsible for any commission paid to Seller's Broker. Purchaser and Seller each represent and warrant to the other that, except with respect to Seller's Broker as set forth above, such party has not incurred an obligation to any other broker or agent in connection with the transaction contemplated hereby. Each party hereby covenants and agrees to defend, indemnify and hold harmless the other party against and from any and all loss, expense, liability, cost, claim, demand, damage, action, cause of action and suit arising out of or in any manner relating to the alleged employment or use by any other party of any real estate broker or agent in connection with this transaction. The provisions of this Subsection shall survive the Closing of this transaction.

13. Survey and Inspection. Purchaser and Purchaser's agents, employees and independent contractors shall have the right and privilege to enter upon the Property during the Inspection Period to survey and inspect the Property and to conduct soil borings, environmental assessment and toxic waste studies and other geological, engineering, water or landscaping tests or studies or building inspections, all at Purchaser's sole cost and expense. Purchaser hereby covenants and agrees to indemnify and hold harmless Seller from any and all loss, liability, cost, claim, demand, damage, action, cause of action and suit arising out of or in any manner related to the exercise by Purchaser of Purchaser's rights under this Section (but not the existence of any condition discovered in the course of Purchaser's inspections and testing).

14. Eminent Domain. If, after the Effective Date and prior to Closing, Seller shall receive notice of the commencement or threatened commencement of eminent domain or other like proceedings against the Property or any portion thereof, Seller shall immediately notify Purchaser in writing, and Purchaser shall elect within thirty (30) days from and after such notice,

by written notice to Seller, one of the following: (a) not to close the transaction contemplated hereby, in which event all Earnest Money shall be refunded to Purchaser and this Agreement shall be void and of no further force and effect; or (b) to close the purchase of the Property contemplated hereby in accordance with its terms but subject to such proceedings, in which event the Purchase Price shall remain the same and Seller shall transfer and assign to Purchaser at Closing all condemnation proceeds and rights to additional condemnation proceeds, if any. If Purchaser elects to purchase after receipt of such a notice, all actions taken by Seller with regard to such eminent domain proceedings, including but not limited to, negotiations, litigation, settlement, appraisals and appeals, shall be subject to the approval of Purchaser, which approval shall not be unreasonably withheld. If Purchaser does not make such election within the aforesaid time period, Purchaser shall be deemed to have elected to close the transactions contemplated hereby in accordance with clause (b) above.

15. Property Damage. If, after the Effective Date and prior to Closing, the Property shall suffer significant damage as the result of fire or other casualty, Seller shall immediately notify Purchaser in writing. In the event said damage results in damage of the improvements situated on the Property in the amount of Ten Thousand and No/100 Dollars ($10,000.00) or greater, Purchaser shall have the right to elect within fifteen (15) days from and after such notice, by written notice, one of the following: (a) not to close the transaction contemplated hereby, in which event all Earnest Money shall be refunded to Purchaser and this Agreement shall be void and of no further force and effect; or (b) to close the purchase of the Property contemplated hereby in accordance with its terms but subject to such damage, in which event the Purchase Price shall remain the same and Seller shall transfer and assign to Purchaser at Closing all insurance proceeds received or to be received as a result of such damage, and Purchaser shall receive a credit against the Purchase Price for any insurance deductible or uninsured loss. If Purchaser does not make such election within the aforesaid time period, Purchaser shall be deemed to have elected to close the transactions contemplated hereby in accordance with clause (b) above. In the event less than Ten Thousand and No/100 Dollars ($10,000.00) of damage to the improvements situated on the Property exists, this Agreement shall remain in full force and effect, but, at Closing, Seller shall transfer and assign to Purchaser all insurance proceeds received or to be received as a result of such damage, and Purchaser shall receive a credit against the Purchase Price for any insurance deductible or uninsured loss.

16. Condition of Property. Subsequent to the Effective Date and prior to Closing, Seller shall maintain the Property in accordance with its past practices and ordinary maintenance, but shall not be required to provide any extraordinary maintenance.

17. Operations. After the Effective Date and prior to the Closing Date, Seller shall neither enter into any new, nor terminate, modify, extend, amend or renew any existing, lease or service, management, maintenance, repair, employment, union, construction, leasing or other contract or agreement affecting the Property (each, a "New Agreement") without providing at least five (5) business days prior notice (and opportunity to review and approve the New Agreement) to Purchaser. Purchaser shall have five (5) business days after Purchaser's actual receipt (notwithstanding the notice provisions in Section 18 below) of a true, correct and complete copy of a New Agreement to approve the same. If Purchaser does not approve any such New Agreement that Seller will enter into prior to expiration of the Inspection Period, then Purchaser's sole and exclusive remedy will be to terminate this Agreement by delivering written notice to Seller no later than five (5) business days after receiving the New Agreement, and in

such event Purchaser shall receive a full refund of the Earnest Money. If Purchaser fails to terminate this Agreement as set forth in the preceding sentence, it shall be deemed to have approved the New Agreement that Seller will enter into prior to expiration of the Inspection Period in the form provided. Seller may not enter into New Agreement after expiration of the Inspection Period unless Purchaser has approved the same in writing. Seller shall cause any Contracts which Purchaser elects in its discretion not to assume to be cancelled at or before Closing.

18. Notice. Notices provided for in this Agreement must be (i) delivered personally, (ii) sent by registered or certified mail, postage prepaid, return receipt requested, (iii) sent via a reputable express courier, (iv) sent by facsimile during normal business hours with a confirmation copy delivered by another method permitted by this Section other than electronic mail, or (v) sent by electronic mail during normal business hours with a confirmation copy delivered by another method permitted by this Section other than facsimile, addressed as set forth below. Notice sent by U.S. mail is deemed delivered three days after deposit with the U.S. Postal Service. Notice sent by a reputable express carrier is deemed received on the day receipted for by the express carrier or its agent. Notice sent via facsimile is deemed delivered upon the transmission to the phone number designated as the recipient's facsimile phone number below. Notice sent via electronic mail is deemed delivered upon the entrance of such electronic mail into the information processing system designated by the recipient's electronic mail address set forth below. The addresses of the parties to which notices are to be sent shall be Purchaser's Address or Seller's Address, as applicable, as set forth in Section 1 above. Any party shall have the right from time to time to change the address to which notices to it shall be sent to another address, and to specify two additional addresses to which copies of notices to it shall be mailed, by giving to the other party at least ten (10) days prior notice of the changed address or additional addresses.

19. Remedies. If this transaction fails to close by reason of Purchaser's wrongful failure to perform its obligations under this Agreement, the Earnest Money shall be retained by Seller as liquidated damages the parties hereby acknowledging that Seller's actual damages in such circumstances would be difficult, if not impossible, to determine. Seller expressly acknowledges and agrees that retention of the Earnest Money as provided for herein shall be Seller's sole and exclusive remedy in the event of Purchaser's failure to perform its obligations hereunder. If this transaction fails to close for any reason other than Purchaser's wrongful failure to perform his obligations hereunder, including without limitation the failure of any condition precedent to Purchaser's obligations herein, the Earnest Money shall promptly be refunded to Purchaser. In the event Seller fails or refuses to convey the Property in accordance with the terms hereof or otherwise fails to perform its obligations hereunder, Purchaser shall have the right to a refund of all Earnest Money, specific performance and all other rights and remedies available at law or in equity for Seller's breach, all' of which are reserved, cumulative, and nonexclusive. Seller waives the right to assert the defense of the lack of mutuality in any suit for specific performance instituted by Purchaser. Purchaser shall also be entitled to obtain its attorneys' fees and costs in connection with enforcing its rights and remedies under this Agreement.

20. Time of Essence. Time is of the essence of this Agreement.

21. Closing Documents. At or prior to Closing, each party shall deliver to the other party appropriate evidence to establish the authority of such party to enter into and close the transaction contemplated hereby. Seller also shall execute and deliver to the Title Company at Closing, for it to hold in escrow pending Purchaser's payment of the Purchase Price: (i) the Deed; (ii) a certificate with respect to Section 1445 of the Internal Revenue Code stating, among other things, that Seller is not a foreign corporation as defined in the Internal Revenue Code and I.R.S. Regulations; (iii) the General Assignment substantially in the form attached hereto as Exhibit C; (iv) the Residential Lease, (v) Seller's representation and warranty downdate certificate under Section 11; and (vi) such other documents reasonably necessary or appropriate to complete and evidence the transaction contemplated hereby, as reasonably requested by the Purchaser or Title Company, including without limitation a standard title company owner's affidavit.

22. Entire Agreement. This Agreement constitutes the entire agreement of the parties and may not be amended except by written instrument executed by Purchaser and Seller. All prior understandings and agreements between the parties are deemed merged herein.

23. Headings. The section headings are inserted for convenience only and are in no way intended to describe, interpret, define or limit the scope or content of this Agreement or any provision hereof.

24. Possession. Seller shall deliver actual possession of the Property at Closing.

25. Applicable Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California.

26. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns as the case may be, and Purchaser shall have the right to assign its rights hereunder and thereafter be released from any further liability hereunder.

27. Surviving Clauses. The provisions of this Agreement relating to tax prorations after Closing, Purchaser's indemnification with respect to its entering upon the Property prior to Closing, Seller's representations, covenants, warranties and indemnity agreement in Section 11, Seller's agreement to cooperate with a Rule 3-14 audit, Seller's covenant not to encumber the Property subsequent to the date hereof, the mutual covenants of Seller and Purchaser to indemnify each other, as the case may be, as set forth in Section 12, shall not merge into the Deed but instead shall survive any Closing pursuant to this Agreement. Except as set forth in the preceding sentence or as otherwise expressly set forth herein, no other provision of this Agreement shall survive the Closing of this transaction.

28. Tax Deferred Exchange. Purchaser may structure the sale of the Property as a like kind exchange under Internal Revenue Code Section 1031, at Purchaser's sole cost and expense. Seller shall reasonably cooperate therein, provided that Seller shall incur no material costs, expenses or liabilities in connection with Purchaser's exchange and Seller shall not be required to take title to or contract for purchase of any other property. If Purchaser uses a qualified intermediary to effectuate the exchange, any assignment of the rights or obligations of Purchaser hereunder shall not relieve, release or absolve Purchaser of its obligations to Seller hereunder. Purchaser shall reimburse Seller for all reasonable out-of-pocket expenses, if any, incurred by Seller in effectuating Purchaser's exchange.

29. Non-Solicitation. From and after the Effective Date, Seller shall not market the Property for sale, or solicit or accept any back-up offers with respect to the sale of the Property.

30. Rule 3-14 Audit. Seller agrees to reasonably cooperate, at no cost or expense to Seller, with Purchaser in connection with any Rule 3-14 audit that Purchaser may conduct with respect to the Property within one year after the Closing Date.

31. Calculation of Time Periods. Unless otherwise specified, in computing any period of time described herein, the day of the act or event after which the designated period of time begins to run is not to be included and the last day of the period so computed is to be included, unless such last day is a Saturday, Sunday or legal holiday for national banks in the location where the Property is located, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday, or legal holiday. Unless otherwise specified, the last day of any period of time described herein shall be deemed to end at 5:00 p.m. local time in the state in which the Property is located.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, this Agreement has been duly executed on the day and year first above written.

PURCHASER:

GLADSTONE LAND CORPORATION, a Maryland corporation

By: /s/ David Gladstone

Name: David Gladstone

Title: Chairman

SELLER:

GIUMARRA FARMS, INC., a California corporation

By: /s/ John Giumarra

Name: John Giumarra

Title: President

GIUMARRA BROTHERS FRUIT, LLC, a California limited liability company

By: /s/ John Giumarra

Name: John Giumarra

Title: Managing Director

EXHIBIT A

INTENTIONALLY DELETED

EXHIBIT B

DUE DILIGENCE MATERIALS

(a) Intentionally Deleted;

(b) Plans, drawings, specifications and engineering and architectural studies and work (including “as built” plans and drawings, if any) with regard to the Property that are in Seller’s possession;

(c) Any appraisals and surveys of the Property obtained during the period during which Seller has owned the Property or otherwise in Seller’s possession;

(d) Copies of all correspondence in Seller’s possession relating to any Government Payments;

(e) Real estate tax bills and statements for the current year and the previous two (2) years with respect to the Property;

(f) Utility bills for the Property for the two (2) most recent complete calendar years and the current year-to-date;

(g) Copies of insurance certificates with respect to the Property;

(h) Copies of all of the Contracts and any amendments or proposed amendments thereto;

(i) Copies of any soil boring or other similar engineering reports with respect to the Property obtained during the period during which Seller has owned the Property;

(j) Any environmental assessment report or study with respect to the Property in Seller’s possession;

(k) Copies of any warranties relating to any Improvements (including without limitation Irrigation Equipment) included in the Property;

(l) Any information in Seller’s possession or control from any governmental agency or authority regarding the Property or adjacent properties;

(m) Copies of all notices and correspondence received from any governmental agency of authority regarding the Property or adjacent properties;

(n) Copies of all notices and correspondence received from third-parties claiming an interest or right in and to the Property, or any portion thereof; and

(o) Copies of all certificates, applications, permits or other documents related to or evidencing Water Rights associated with the Property or any portion thereof.

EXHIBIT C

GENERAL ASSIGNMENT

THIS GENERAL ASSIGNMENT (this "Assignment") is entered into as of the of , 2015, between ("Assignor"), whose address is , and ("Assignee"), a whose address is .

1. Purchase Agreement; Defined Terms. This Assignment is being executed and delivered pursuant to that certain Agreement of Purchase and Sale between , and , dated as of , 2015 (the "Purchase Agreement"). Any capitalized term used but not otherwise defined herein shall have the meaning set forth in the Purchase Agreement.

2. Assignment and Conveyance. For good and valuable consideration received by Assignor, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby bargains, sells, conveys, grants, transfers and assigns to Assignee the entire right, title and interest of Assignor in and to the following in accordance with the terms and conditions of the Purchase Agreement:

i. All [Contracts not previously terminated at Assignee's request];

ii. All warranties, guarantees, bonds, licenses, building permits, certificates of occupancy, zoning certificates, and other governmental permits and licenses to and in connection with the construction, development, ownership, use, operation or maintenance of the Property or any part thereof, to the extent the same are assignable; and

iii. All Water Rights.

3. [Assumption. Assignee hereby assumes the obligations of Assignor under the Contracts, in each and every case only to the extent first arising from and after the date hereof. Assignor shall promptly notify Assignee in writing if any claim is made against Assignor with respect to any matter which Assignee has agreed to assume in this Assignment, specifying the nature and details of such claim. Assignor shall cooperate fully with Assignee and its counsel and attorneys in the defense against such claim in accordance with their judgment and discretion, and Assignor shall not pay or settle any such claim without Assignee's prior written consent. No person or entity, other than Assignor, shall be deemed a beneficiary of the provisions of this Section.]

4. [Indemnity. Assignee agrees to indemnify, defend and hold Assignor harmless from and against any and all claims, damages, demands, causes of action, liabilities, judgments, losses, costs and expenses (including but not limited to reasonable attorneys' fees) asserted against or incurred by Assignor caused by the failure of Assignee to perform any obligation

under the Contracts which obligation was assumed by Assignee hereunder. Assignor agrees to indemnify, defend and hold Assignee harmless from and against any and all claims, damages, demands, causes of action, liabilities, judgments, losses, costs and expenses (including but not limited to reasonable attorneys' fees) asserted against or incurred by Assignee caused by the failure of Assignor to perform any obligation under any of the Contracts first arising prior to the date hereof.]

5. Power and Authority. Assignor represents and warrants to Assignee that it is fully empowered and authorized to execute and deliver this Assignment, and the individual signing this Assignment on behalf of Assignor represents and warrants to Assignee that he or she is fully empowered and authorized to do so.

6. Attorneys' Fees. If either Assignee or Assignor or their respective successors or assigns file suit to enforce the obligations of the other party under this Assignment, the prevailing party shall be entitled to recover the reasonable fees and expenses of its attorneys.

7. Successors and Assigns. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

8. Counterparts. This Agreement may be executed in any number of identical counterparts, any or all of which may contain the signatures of fewer than all of the parties but all of which shall be taken together as a single instrument.

9. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California.

IN WITNESS WHEREOF, Assignor and Assignee have executed and delivered this Assignment the day and year first above written.

ASSIGNOR

____

____

By: __________________________________
Title: __________________________________

ASSIGNEE

____

____

Exhibit 31.1

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David Gladstone, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2015

/s/ David Gladstone
David Gladstone
Chief Executive Officer and Chairman of the Board of Directors

Exhibit 31.2

CERTIFICATION
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lewis Parrish, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gladstone Land Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2015

/s/ Lewis Parrish
Lewis Parrish
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Executive Officer of Gladstone Land Corporation (the "Company"), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 ("Form 10-Q"), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: August 4, 2015

/s/ David Gladstone
David Gladstone
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, the Chief Financial Officer and Treasurer of Gladstone Land Corporation (the “Company”), hereby certifies on the date hereof, pursuant to 18 U.S.C. §1350(a), as adopted pursuant to Section 906 of The Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q for the quarter ended June 30, 2015 (“Form 10-Q”), filed concurrently herewith by the Company, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Dated: August 4, 2015

/s/ Lewis Parrish
Lewis Parrish
Chief Financial Officer