



Executive Summary Lincoln & Desha Portfolio

**SCYTHE
& SPADE**



EXECUTIVE SUMMARY

LINCOLN & DESHA PORTFOLIO:

**JOHN HANCOCK LIFE INSURANCE
COMPANY (USA)**

&

HTFF REIT, INC

**Exclusive offering by:
FARM-LAND STRATEGIES RE in
partnership with SCYTHE & SPADE
COMPANY**

Simplifying
complex
agribusiness
issues since 1998.



Executive Property Summary

EXECUTIVE PROPERTY SUMMARY

LOCATION

Project Lincoln, or the “Subject Property,” is located in southeast Arkansas. The farm is divided into 2 ownership portfolios. The larger portfolio, or “JH Tracts,” are located in Lincoln and Desha Counties and are shown below in pink. While the smaller portfolio, or “HTFF Tracts,” are located wholly in Lincoln County and are shown below in green. The larger portion of the Subject Property is located approximately 5 miles southwest of Gould, Arkansas, with the remaining portion located approximately 3.5 miles southeast of Gould, Arkansas. All units are located within a 6-mile radius.



PHYSICAL ACCESS

All tracts are either accessed via public road or highway, or are accessed via recorded legal easement.

SUBJECT ACRES

Combined surveyed acres 2,579.80. Combined assessed acres 2,357.66. Combined FSA Farmland Acres is 2,585.55. Combined FSA Cropland Acres is 2,503.54.

JH Tracts – 2,258.38 surveyed Acres. 2,036.98 Assessed Acres. 2,260.18 FSA Farmland Acres. 2181.18 FSA Cropland Acres.

HTFF Tracts – 321.42 surveyed acres. 320.68 Assessed Acres. 325.37 FSA Farmland Acres. 322.36 FSA Cropland Acres.



Executive Summary

Lincoln & Desha Portfolio

LEGAL OWNERSHIP The JH Tracts are owned by John Hancock Life Insurance Company (USA). The HTFF Tracts are owned by HTFF REIT, Inc.

PROPERTY TAXES Records from the seller indicates the Subject Property consists of 10 Lincoln County Tax Parcels, representing 1,975.64 acres, and 5 Desha County Tax Parcels, representing 382.02 acres. The 2022 property taxes for the entirety of the Subject Property were \$25,507.53, with an assessed value of \$474,680.00. The 2022 total tax appraised value was \$2,373,400.00.

JH Tracts – Comprised of 8 Lincoln County tax parcels and 5 Desha County tax parcels, totaling 2,036.98 assessed acres. The annual 2022 property taxes were \$22,038.08.

HTFF Tracts – Comprised of 2 Lincoln County tax parcels totaling 320.68 assessed acres. The annual 2022 property taxes were \$3,469.45.

IRRIGATION & DRAINAGE¹

Irrigation is provided by approximately 33 groundwater wells, and 3 surface water relift pumps. Water is delivered by both open discharge at the well locations or via underground pipe to risers in the fields.

JH Tracts – 27 total groundwater wells, and 3 diesel powered surface water relift pumps.

HTFF Tracts – 6 total groundwater wells, 3 diesel powered and 3 electric powered.

IMPROVEMENTS

All cropland acres have been improved by land leveling to enhance irrigation and drainage efficiency.

STRUCTURAL IMPROVEMENTS

There are no structural improvements located on the Subject Property.

SOILS

The Subject Property soils are comprised primarily of clays and silt loams. The attached detailed soils map show the locations of soils by individual tract.

¹ See page 42 for summary and location of wells.



Executive Summary

Lincoln & Desha Portfolio

JH Tracts - The predominant soil types on this tract are Perry clay, Herbert silt loam, and Sharkey and Desha.

HTFF Tracts - The predominant soil types on this tract are Perry clay, Portland clay, and Rilla silt loam, which account for approximately 98.12% of the property.

FSA²

The Subject Property consists of 8 different FSA Farm numbers and is further partitioned into 13 individual FSA tracts. The total Farmland acres listed is 2,585.00, with 2,503.54 FSA Cropland acres.

JH Tracts -

JH Tracts - FSA				
County	FSA Farm	FSA Tract	Farmland Acres	Cropland Acres
Lincoln	3404	942	125.93	124.39
	3405	949	241.24	236.44
Desha	3412	3314	34.83	34.83
		3315	41.80	41.80
	3413	3313	54.34	50.88
	3493	3681	258.28	254.50
	3600	3682	164.25	153.01
Lincoln	3495	2052	40.25	40.25
		3685	655.04	629.31
		953	168.20	161.57
		3686	476.02	454.20
Total			2260.18	2181.18

HTFF Tracts -

HTFF Tracts - FSA				
County	FSA Farm	FSA Tract	Farmland Acres	Cropland Acres
Lincoln	3661	946	125.16	123.36
		948	200.21	199.00
Total			325.37	322.36

² Copies of FSA 156EZs can be found on page 9-41.



Executive Summary

Lincoln & Desha Portfolio

Base Acres – The Base Acres are comprised of Wheat, Seed-Cotton, Soybeans, Grain Sorghum, Rice-Long Grain, and Rice-Medium Grain. The three largest commodity bases are Seed-Cotton, Soybeans, and Rice-Long Grain.

LEASE AGREEMENTS

Farm Lease

The Subject Property is currently under 8 separate leases with lease expiration dates ranging from 12/31/2023 to 12/1/2025. 2023 Lease income was \$463,467.00 or \$185/cropland acre.

JH Tracts –

JH Tracts - Lease					
County	FSA Tract	FSA Cropland Acres	2023 Lease	\$/acre	Expiration
Lincoln	942	124.39	\$ 26,122.00	\$ 210.00	12/31/2023
	949	236.44	\$ 42,480.00	\$ 179.67	12/31/2023
Desha	3314	34.83	\$ 7,102.00	\$ 203.90	12/31/2023
	3315	41.8	\$ 8,523.00	\$ 203.90	12/31/2023
	3313	50.88	\$ 10,433.00	\$ 205.05	12/31/2024
	3681	254.5	\$ 49,628.00	\$ 195.00	12/31/2023
	3682	153.01	\$ 30,602.00	\$ 200.00	12/1/2025
Lincoln	2052	40.25	\$ 8,050.00	\$ 200.00	12/1/2025
	3685	629.31	\$ 113,276.00	\$ 180.00	12/31/2023
	953	161.57	\$ 29,083.00	\$ 180.00	12/31/2023
	3686	454.2	\$ 81,756.00	\$ 180.00	12/31/2023
Total		2181.18	\$ 407,055.00	\$ 186.62	

HTFF Tracts –

JH Tracts - Lease					
County	FSA Tract	FSA Cropland Acres	2023 Lease	\$/acre	Expiration
Lincoln	946	123.36	\$ 21,588.00	\$ 175.00	12/31/2024
	948	199.00	\$ 34,825.00	\$ 175.00	12/31/2024
Total		322.36	\$ 56,413.00	\$175.00	

Hunting Lease

The only current hunting lease is on HTFF Tracts. The lease runs from 4/14/2022 – 03/01/2024. The total hunting lease income from this lease is \$322.00.



Executive Summary

Lincoln & Desha Portfolio

FLOOD ZONE

JH Tract - 1% Annual Chance Flood Hazard A-null 1,222.79 Acres. X-AREA OF MINIMAL FLOOD HAZARD 786.94 Acres. X-AREA WITH REDUCED FLOOD RISK DUE TO LEVEE 259.05 Acres.

HTFF Tract - X-AREA OF MINIMAL FLOOD HAZARD 298.47 Acres. 1% Annual Chance Flood Hazard A-null 29.83 Acres.

CLIMATE

The climate of Lincoln County is classified as humid subtropical. Summers are rather hot and humid with mild winters. The rainfall is fairly distributed throughout the year with an average of approximately 52 inches per year. Annual snowfall is approximately 1.5 inches. December is the wettest month with an average of approximately 5.5 inches of rain, and the driest month is August with 2.50 inches. The average frost-free period occurs in early March and extends to mid-November. The average high in July is 92° F with an average low in January of 35.0° F.³

TOPOGRAPHY

The majority Subject Property has been precision leveled to grade have uniform slope for enhanced drainage and irrigation efficiency. The natural topography of the area is relatively flat with elevations from topographical maps ranging from 150-178 feet above sea level.

CROP PATTERNS

Given the diverse soil types that comprise the Subject Property, the crops grown include rice, cotton, soybeans, and corn. Under the cash lease, yields are not always required to be disclosed by the tenants. Yields have not been provided by the seller. Please see the below USDA yields for Lincoln County, AR.

USDA NASS Crop Yields					
County	Year	Cotton (lbs/acre)	Rice (bu/acre)	Soybeans (bu/acre)	Corn (bu/acre)
Lincoln	2020	1150.00	169.11	54.60	165.00
	2021	1274.00	164.66	53.20	180.70
	2022	1219.00	171.55	60.80	185.90
Desha	2020	1206.00	155.55	57.30	190.30
	2021	1299.00	152.88	52.10	186.00
	2022	1253.00	168.88	58.80	166.30

³ <https://weatherspark.com/y/10893/Average-Weather-in-Pine-Bluff-Arkansas-United-States-Year-Round>



Executive Summary

Lincoln & Desha Portfolio

LOCAL MARKETS

The Subject Property is located in an area that is largely agricultural, with a focus on commodity crops. The most common crops grown in Lincoln County and this area of the Mississippi Delta are rice, soybeans, corn and cotton. Arkansas is known for rice production and is the largest rice producing state in the US, both by acres and volume produced.

Local markets consist of a variety of grain terminals, both on the Arkansas and Mississippi Rivers, and inland in the surrounding towns. Rice is typically delivered to both storage locations and directly to local rice mills. The area is home to a variety of rice mills, both privately owned and cooperatives, with the two largest cooperatives being Riceland Foods and Producers Rice Mill, which are both headquartered approximately 65 highway-miles from the Subject Property in Stuttgart, Arkansas. Crops are generally transported by both truck and rail to major domestic markets or transported by truck to shipping ports along the Arkansas and Mississippi Rivers for delivery to both domestic and international markets. In addition to grain terminals, three cotton gins are located within a 30 mile radius, providing producers multiple options for their cotton.

RECREATIONAL

In addition to Arkansas being ranked as the largest rice producing state in the US, the state is also known for waterfowl hunting. The Subject Property possesses habitats which could potentially be suitable for hunting, but the viability of producing income from recreational leasing has not been confirmed.



Executive Summary

Lincoln & Desha Portfolio

Project Lincoln

Seller Tract Numbers

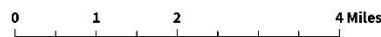
Updated August 17, 2023

© 2023, Scythe & Spade Co.



Legend

- HTFF
- Hancock



© 2023, Scythe & Spade Company

All information furnished is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and the same is subject to errors, omissions, changes of price, rental or other conditions without notice. www.ag-management.com