

## Summary of the NCREIF Farmland Index

The National Council of Real Estate Investment Fiduciaries (NCREIF) recently published the fourth-quarter 2025 Farmland Return Index results. The NCREIF Total Farmland Index recorded an annual return of 0.20 percent in 2025, consisting of a -2.80 percent capital return and a 3.05 percent income return (see Figure 1).

The Annual Cropland Index posted the lowest total return since inception at 3.52 percent, driven by the second-lowest capital return of 0.52 percent, and the lowest income return of 2.99 percent. Even so, the Annual Cropland total return was still 895 basis points higher than the total return for the Permanent Cropland Index, which was -5.43 percent, comprising capital returns of -8.48 percent and income returns of 3.24 percent. Annual cropland total returns have outperformed permanent cropland total returns for the sixth consecutive year after permanent cropland total returns had surpassed annual cropland total returns during the previous nine-year period.

For the third straight year, the Directly Operated Permanent Cropland Index (see Figure 2) recorded a negative annual total return of -7.01 percent. The capital return was -9.55 percent, while the income return was 2.70 percent, the highest since 2021.

The Pistachio Index turned positive for the first time in three years, posting a total return of 3.55 percent, as income returns of 9.54 percent outweighed capital returns of -5.64 percent. The Almond Index was negative for the sixth consecutive year,

Figure (1)

	2025 Annual Return		
	Income	Capital	Total
<b>Total Farmland Index</b>			
Total Farmland	3.05%	-2.80%	0.20%
Annual Cropland	2.99%	0.52%	3.52%
Permanent Cropland	3.24%	-8.48%	-5.43%

with a total return of -4.43 percent, with capital returns of -8.00 percent and income returns of 3.82 percent.

The Almond Capital Index has decreased by 41.72 percent since the first quarter of 2020 and is down 49.10 percent from its peak in the second quarter of 2016, while the Pistachio Capital Index has fallen 29.78 percent and 36.49 percent over the same periods. AgIS Capital believes that

a significant part of the decline in capital values for almonds and pistachios stems from a subset of assets within these indices with subpar surface-water rights. AgIS Capital expects that many acres of almond and pistachio orchards will be removed in the coming years as the State of California implements its Sustainable Groundwater Management Act, which will reduce groundwater pumping and overall groundwater availability.





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Figure (2)

	One Year Return			Three Year Annualized Return			Five Year Annualized Return			Ten Year Annualized Return			Since Inception Annualized Return		
	Income	Capital	Total	Income	Capital	Total	Income	Capital	Total	Income	Capital	Total	Income	Capital	Total
<b>Total Farmland Index</b>															
Total Farmland	3.05%	-2.80%	0.20%	2.96%	-1.58%	1.34%	3.22%	0.96%	4.20%	3.80%	1.06%	4.89%	6.11%	3.59%	9.82%
Annual Cropland	2.99%	0.52%	3.52%	3.17%	3.18%	6.43%	3.38%	5.40%	8.91%	3.43%	3.32%	6.83%	4.54%	5.02%	9.73%
Permanent Cropland	3.24%	-8.48%	-5.43%	2.67%	-8.73%	-6.21%	3.01%	-5.66%	-2.77%	4.35%	-2.46%	1.81%	8.30%	1.16%	9.42%
<b>Crop Type-Subindexes</b>															
Almonds	3.82%	-8.00%	-4.43%	1.27%	-13.13%	-12.00%	1.43%	-9.98%	-8.65%	3.56%	-5.96%	-2.54%	8.90%	1.73%	10.43%
Apples	-1.54%	-8.74%	-10.19%	-0.31%	-3.47%	-3.80%	0.88%	-2.01%	-1.18%	-0.48%	-0.20%	-0.71%	4.31%	-2.21%	1.93%
Pistachios	9.54%	-5.64%	3.55%	6.27%	-12.26%	-6.54%	5.64%	-6.81%	-1.43%	9.10%	-4.20%	4.63%	15.92%	2.67%	18.61%
Wine Grapes	1.06%	-12.98%	-11.98%	2.11%	-8.25%	-6.25%	2.81%	-5.21%	-2.50%	3.59%	-0.86%	2.68%	5.74%	2.50%	8.26%
Oranges	7.27%	2.51%	9.89%	4.83%	-1.48%	3.27%	3.96%	-1.80%	2.10%	6.18%	-0.58%	5.56%	8.72%	1.02%	9.77%
Other Permanent Crops	3.99%	-4.54%	-0.69%	3.74%	-3.97%	-0.35%	4.09%	-2.20%	1.82%	4.10%	-1.19%	2.87%	9.21%	0.31%	9.45%
<b>Management Type Subindexes</b>															
Directly Operated Permanent	2.70%	-9.55%	-7.01%	1.91%	-9.80%	-7.99%	2.28%	-6.47%	-4.28%	4.02%	-2.97%	0.96%	8.71%	0.80%	9.40%
Leased – Permanent	4.60%	-4.06%	0.41%	4.80%	-5.22%	-0.61%	5.09%	-3.10%	1.87%	5.23%	-0.62%	4.59%	6.80%	1.61%	8.47%