

Vilicus Capital — Regenerative Farmland Investment & Management

Purpose

Vilicus Capital is a regenerative farmland investment & management platform. We work with farmer-partners and investors to identify, acquire, transition, and manage farmland regeneratively. Vilicus Capital operates independently while participating in the broader Vilicus Federated ecosystem of mission-aligned businesses.

1) Thesis — Land First, Compounding Stewardship

We buy and manage farmland with regenerative plans that improve soil function, stabilize yields, and reduce input volatility. Where it **strengthens the land's economics**, we line up reliable offtake through businesses in the Vilicus Federated ecosystem—giving farms steadier demand without pulling focus away from the farm.

Why now

- Consolidation and climate volatility are pressuring yields, margins, and succession.
- Regenerative practices (rotations, cover crops, reduced/no-till where suitable) improve water retention, nutrient cycling, and long-run margin per acre.
- Reliable offtake relationships reward quality and make regenerative transitions “pencil” on real farms.

2) Strategy & Structure

2.1 Core: Acquire, Transition, Manage

- **Target** farms with sound soil/water profiles and clear 3–5 year conversion plans.
- **Transition** with practice stacks tailored by crop/region: multi-species cover crops, diversified rotations, residue management, reduced/no-till (where suitable), buffers/pollinator strips, riparian protection, compost/biostimulants, and grazing integrations where viable.
- **Manage/lease** with performance covenants and incentives (e.g., cover-crop acreage, rotation diversity, SOM & infiltration trajectories).

2.2 Federation Link (supporting, not central)

Being a member of **Vilicus Federated** gives our farms **priority access** to ecosystem businesses (wash/pack, light processing, cold-chain, distribution). We use these links **only** to make the farm stronger—by securing steadier, quality-rewarding offtake—while keeping capital and decision-making anchored in the land.

2.3 Governance & Discipline (land first)

- **Mission-lock via purpose-trust anchoring (at the federation level)** to prevent extractive exits while Vilicus Capital operates independently.
- **Underwriting guardrails:** DSCR bands, leverage caps, step-downs; land-centric KPIs (margin/acre, input variability, water-use intensity) paired with soil metrics.
- **Reinvestment flywheel:** allocate a portion of cash flow to soil improvements and accretive parcel add-ons contiguous to existing farms.

3) Regenerative Management Framework

Objectives

Increase SOM, infiltration/retention, and biodiversity; reduce erosion and input volatility; improve nutrient density and product quality.

Contracts & incentives

- Leases embed measurable stewardship metrics (SOM %, infiltration tests, erosion indices) with bonus/penalty schedules.
- Third-party soil testing annually; remote sensing + field checks for verification.

4) Target Geographies

Primary: Upper Midwest and Southeast/Middle Tennessee, expanding along Southern corridors.

Selection criteria

- Soil/water fit for target rotations and managed grazing.
- Clusters of regenerative producers; succession opportunities.
- Underserved wash/pack/cold-chain where small additions unlock value.
- Access to institutional buyers, CSA/DSD, and regional grocers.

Illustrative nodes

- **Upper Midwest:** grain + specialty rotations with milling/wash-pack tie-ins.
- **Southeast / Middle TN:** perishables aggregation and light processing connected to acreage conversion; training partnerships through the federation.

5) Pipeline & Use of Capital

Farmland acquisitions

- Transition conventional acres over 3–5 years; fund fencing, water points, perennial buffers, compost infrastructure, and cover-crop seed.
- Aggregate contiguous/near-contiguous parcels to reduce equipment moves and operating costs.

Operator development

- **Apprenticeships & upskilling** in regenerative practice, equipment setup, grazing plans, and moisture/cover management.
- **Innovative lease structures** for farmer/operators: profit-share rent bands tied to verified soil & yield gains; step-up lease-to-own for top performers; input-cost relief during year-1/2 cover-crop establishment with shared upside in years 3–5.

Selective federation enablement

- Where helpful, connect farms to federation businesses to secure steadier, quality-based purchase agreements and reduce marketing risk—without shifting capital away from the farm.

Return drivers

- **SOM-linked yield stability** and quality premia over time.
- **Input cost reductions** (fuel, fertilizer, herbicide) from rotations, residue, and grazing integrations.
- **Water management ROI** (infiltration/retention improvements reduce drought stress and re-plant risk).
- **Parcel aggregation & practice learning-curve effects** that drive down \$/acre ops costs and improve margin/acre.

6) Impact & Risk

Impact outcomes

- More acres under regenerative management with measurable year-over-year soil and water gains.
- Farmer/operators advancing toward lease-to-own; durable, quality jobs on and around the farm.
- Higher local share of food spend via reliable regional buyers.

Key risks & mitigants (plain English)

- **Weather & price swings:** We don't bet the farm on one crop. We rotate, hedge when sensible, and invest in water-holding soils so dry spells hurt less and wet spells drain better.
- **Transition dip (years 1–2):** We budget for it, phase changes in, and use leases that share early costs and later upsides so farmers can stick the landing.
- **Operator bandwidth:** We put real people on the ground—**local “cultural stewards” as ride-along support**(think: experienced neighbors/techs) who help set up drills, calibrate planters, plan grazing moves, and troubleshoot. The goal is fewer headaches, more “this works on my fields.”
- **Scaling too fast:** We stage acquisitions, keep debt in safe bands, and only add parcels that make the whole block farm better.

7) Where We Fit in the Capital Stack

Vilicus Capital is the **farmland-forward** capital partner operating independently within the Vilicus Federated ecosystem. We underwrite to land cash flows and durability while advancing measurable soil and community outcomes. Co-investment options:

- **LandCo equity (core)**
- **Selective OpCo senior/mezz** only when it directly strengthens farm offtake
- **Credit facilities** that back lease-to-own operator pathways and accretive parcel add-ons

Note: Vilicus Capital remains land-first and independently operated. Participation in Vilicus Federated expands our farms' options for dependable, quality-rewarding markets—used only where it makes the farm stronger.