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Farmland

Agril Farmland Investment Group

Farmland Asset Managers | Agriculture | Food Processing | Food Distribution | Farm Insurance

The Fundamental Guide to Investing in Farmland

About this Guide

In this guide, you will find the key benefits and risks associated with investing in farmland, the various avenues available and other factors you should consider before taking ownership in a farm. Historically, investing in farmland is a smart move, with returns averaging over 12% since the great depression. However, finding investment farmland can be a difficult process, and the high cost and complexity associated with owning and managing farmland can act as a deterrent.

This guide was created in hopes that we can help you take advantage of this high-profit potential in farmland and agricultural asset class, confidently.

WHY INVEST IN FARMLAND

Demand

With food demand expected to increase up to 98% by 2050, agricultural markets will be changing like we haven’t seen before. Farmers across the globe will need to increase crop production by expanding the amount of farmland being utilized and by enhancing productivity on existing land. Farmland is truly the most important asset in the world. This is why considering ownership in farmland can be an extremely beneficial move. They don’t make any more of it!

- By 2050 the world population will grow to over 90 million people while the world’s population will hit over 10 billion people.
- In addition to the doubled population size in Kenya and 3 billion more people, the middle class will grow at an unprecedented rate.
- An additional 30 million kenyans and 3 billion people globally will enter the middle class causing food demand to sky rocket.This will all have to be accomplished on less farmland.
- Kenya has seen loss of more than 17,000 acres of farmland to urbanization by 2019.
- The average Kenyan farmers age is 60. As more and more farmers reach the retirement age, a large portion of land will change hands, supplying the market with a great opportunity to invest in farmland.

Benefits

There is no better asset to own than one that increases in value over time and keeps pace with inflation. What if you could invest in something tangible that produces worldwide benefits? According to one study, one of the last things people are willing to cut from their budget is food. Here are some of the various benefits an investment in agriculture can provide.

More Stability than the Stock Market

When you invest in agriculture, you are investing is a physical plot of land. This land's value will only appreciate over time, unlike stocks that often depreciate.

Benefit Generations to Come

Because agriculture investments are long term, they can be set up to be kept in the investor's family and passed down to future generations. Agriculture investments can appreciate indefinitely.

Opportunity for High Returns

Farm returns have averaged more than 12% since the great depression. With the demand for farmers to produce up to 98% more food by 2050, now is an opportune time to consider an investment in farmland and capitalize on those returns.

An Excellent Hedge Against Inflation

Over time, farmland has proven to have a positive correlation with inflation. More so than bonds, the stock market, and even gold. On average, no investment offers a hedge against inflation like farmland.

Social and Economic Benefits

Investing in farmland benefits the investor more than just in financial gains. An investment in agriculture has social and economical benefits that include keeping farmers in the business of farming, keeping the world fed and clothed, bringing jobs and success to a community and supporting family businesses.

INVESTMENT OPPORTUNITY COMPARISONS

	FARMLAND	STOCKS	REAL ESTATE	CASH SAVINGS	BONDS
Low Volatility	✓	✗	✗	✓	✓
High Yield Potential	✓	–	✓	✗	✓
Hard Asset	✓	✗	✓	✗	✗
Inflation Hedge	✓	✓	✓	✗	✗
Equity Build Up	✓	✓	✓	✗	✗

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INTERESTING FACTS

59% -98%

The amount food demand will increase between 2005 and 2050.

83 MILLION

Roughly, the amount of people being added to the world's population every year.

13.6%

The total average annual farm return (annual cash return plus change in land value) from 1970-2019.

“ The best investment

on Earth is earth.”

Louis Glickman, real estate investor

IN CONCLUSION

Investing in Farmland is a Smart Move.

With an ever-increasing global population and demand for food, farmland offers a truly unique investment opportunity with inviting long-term returns. Investing in farmland has also proven to provide diversification to portfolios along with a hedge against commonly unstable stock market corrections.

Our best recommendation is to work with a manager who has proven success in managing and investing in farmland. Agril Farmland Investment Group offers diversity.