

**Agril
Farmland**

**Agril Farmland
Investment
Group**

Sustainably feeding generations

Why Farmland now?

Summary

- Considered a safe haven investment, farmland has proven to be a reliable store of value through times of economic tumult — exhibiting durable valuations and attractive levels of income, both of which are uncorrelated to competing assets.
- Financial yields from farmland are inherently tied to food prices, which have not been negatively impacted during previous pandemics, and have been supported by stable supply-demand dynamics to-date in the current pandemic; thus, farmland investments can be expected to remain a strong inflation hedge.
- Despite ongoing shifts in where people are consuming foodstuffs, transitioning to home-cooking and away from dining out, farmland return characteristics are not expected to differ compared to past downturns.
- Independent of the benefits farmland offers to portfolios in light of the impacts of COVID-19, it is a compelling time to invest in agriculture due to imminent productivity gains and the associated Influence on farmland returns.



Our aim is to deliver best possible agricultural returns through superior farm selection and hands-on management whilst sustainably feeding

Agril Farmland Investment Group

Agril Farmland Investment Group, is an integrated farmland and agricultural investment company established by a group of professionals from finance and agricultural background with an aim of de-risking and making farmland and agriculture an investable asset class thus stimulating growth in the sec-

tor. We combine finance and agriculture expertise to deliver exceptional results through tailored agricultural finance investment solutions for institutional and private investors.

We deliver our business solutions through our affiliate which includes farmland and agricul-

tural finance investment delivered under Agril Capital, Farmland asset management delivered under Agril Farmland Asset Managers, crop and livestock production delivered under Agril Farmer, Agro-processing and packaging under Agril Foods Industries and Food transportation and storage under Agril Logistics.

- why farmland now-

Financial markets are responding to the current limited visibility and uncertainty, both severely exacerbated by the coronavirus pandemic, by retreating towards safe haven investments such as Government treasuries, mutual funds (where yields have declined), gold and certain currencies. Even prior to coronavirus, farmland investment provided a compelling alternative to traditional asset classes. Farmland has a history of exhibiting unique value durability and Income levels through economic downturns.

Historically, farmland has been uncorrelated to the economic cycle and experiences substantially less volatility compared with broad market indices and traditional asset classes. Agril Farmland Investment does not anticipate that farmland will behave substantially differently to current market conditions than it has to analogous market precedents. Farmland has a history of preserving capital in times of economic downturns, and is currently delivering annual income returns above government bond yields in developed countries (see charts 1 and 2).

During the 2008 financial crisis — the most comparable contemporary proxy to the current crisis — negative consequences were experienced across most sectors of many economies. However, this period was relatively profitable for the agricultural sector, resulting in strong farm-gate profitability and higher agricultural land values. Kuethe et al. demonstrated that in the four-year period leading up to the 2008 financial crisis and the four-year period after the crisis, farmland and agricultural investment consistently produced positive returns, outperforming treasuries, mutual funds, and stocks over the 8-year period.

However, despite mild compression, farmland yields and overall Sharpe ratio remain attractive compared to other financial products.

When relative return volatility is considered in addition to expected returns, the case for farmland becomes even more compelling. In developed markets farmland returns have experienced a similar level of volatility as 10-year bonds and significantly lower volatility than equities.

Despite its comparable return volatility, agriculture and farmland has consistently outperformed 10-year bonds, delivering significantly higher yields.

As a result of its superior risk-weighted return, farmland can be viewed as a powerful diversifier within an investment portfolio. Farmland's low volatility becomes particularly valuable in periods of financial uncertainty, such as now. In periods of economic adjustment, the asset, unlike other financial products, has proven to be extremely resilient.

In developed economies such as U.S farmland has delivered only one quarter of negative returns since 1999 (-0.01% in the first quarter of 2002). Importantly, during periods in which the equities declined, farmland delivered positive returns (see chart 4). The durability



Agril Farmland Asset Managers

Agril Farmland Asset Managers possesses the experience, knowledge and resources to provide the full spectrum of farm investment and management services from initial consultancy, planning and due diligence through to acquisition, operation and disposal.

Taken together these services allow us to provide investors with a well diversified farmland Investment portfolio creation and investment management solution.

Our Farm Management services include:
-Farm Acquisition

-Farm development and infrastructure
- Farm leasing
- Farm disposition



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Investing in farming can seem like a good strategic move. After all, whether the overall economy's in a recession or booming, people still have to eat. Because of this, many investors regard agriculture and farming investments as being recession-proof. Further, as the world's population increases, farming will play an increasingly important role in sustaining global societies.



Agril Farmland Asset Managers

Farmland refers to land that is specifically used for growing crops or raising livestock and that has been allocated in zoning laws for agricultural purposes.

Investing in farmlands is one of the ways that investors can benefit from the increasing demand for food and other essential resources. Agril Buy Farmland is ideal for an individual or an institution considering a buy a farmland in Kenya.

Agril Buy Farmland solution understands buying a farm, you're buying a business not just a property. You're also buying water, soil, access to market, infrastructure, development / diversification potential and a

whole range of other attributes. Due diligence is an absolutely critical component of the agricultural investment process.

What Agril Buy Farmland offer:

Farmland acquisition consultancy

Sourcing ideal farmland as per your specifications

Due diligence of the farmland

Purchase negotiation and oversight

If you are considering investing in land or a farming business or have already done so, but do not think you are getting the most from your investment, then Agril Farmland Asset Managers can

help.