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EXECUTIVE SUMMARY

This white paper provides an analysis of the global farmland investment landscape, focusing on key markets including the United States, the United Kingdom, Spain, Poland, Romania, Paraguay, Australia, and New Zealand. Its purpose is to inform investors and operators of strategic considerations, market drivers, regulatory frameworks, and emerging trends shaping farmland as a long-term, strategic asset class. The scope encompasses market size, ownership structures, value trends, foreign investment regulations, and opportunities and risks across these major agricultural regions.

Globally, farmland continues to attract interest due to its role in portfolio diversification, inflation protection, and wealth preservation. The U.S. farmland market is the largest globally, with family-owned farms dominating, but foreign and institutional investment is steadily rising. European markets are diverse, reflecting varying degrees of consolidation, land tenure systems, and EU policy influences. In Australia and New Zealand, scale, water security, and regulatory oversight shape investment decisions, with foreign ownership subject to specific national controls. Paraguay also stands out as an emerging South American market, combining competitive land values, low-costs of production and low cost renewable energy, and expanding export access, particularly in soy and beef, with a favorable tax and ownership framework that has attracted growing regional and global capital. Across all regions, factors such as commodity prices, input costs, climate variability, and policy frameworks remain central to land values and investment returns.

Overall, the global farmland landscape presents a blend of opportunities and risks, where success is contingent on strategic asset selection, operational efficiency, and informed navigation of regulatory and environmental complexities. Investors who can balance these factors are well-positioned to capture sustainable, long-term returns while contributing to the development of productive and resilient agricultural systems.

INTERNATIONAL AG ALLIANCE

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INTERNATIONAL FARMLAND MARKETS

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UNITED STATES

MARKET SIZE AND STRUCTURE

The United States farmland market is one that is vast, diverse, and increasingly of interest to both domestic and international investors. As a $3.67 trillion asset class, the U.S. has the largest share of arable land in the world, with total agricultural land encompassing 880.1 million acres or 356 million hectares. The total value that U.S. Agriculture and related activities add to the United States Economy is roughly $1.54 trillion, with total commodity receipts of more than $530 billion. Roughly 96% of all farms in the United States are family-owned; however, the ownership structure of that farmland is varied. 61% of farmland in the United States is owner-operated, while the remaining 39% is rented.

The ownership structure varies based on crop mix. Oilseeds, cattle, and dairy dominate the usage of U.S. Farmland, with much of the farmland concentrated in the central third of the continental United States. California, Iowa, Illinois, Nebraska, Texas, and North Carolina all dominate the United States in crop and livestock production.

Foreign ownership accounts for approximately 3.61% of all U.S. agricultural land, representing around 46 million acres nationwide. The leading foreign owners of this land are Canada, Italy, the United Kingdom, and the Netherlands. Of the land held by foreign entities, 48% is classified as forestland, 29% as cropland, and 17% as pastureland. Since 2018, foreign ownership of U.S. cropland has seen a sharp increase of 101%, reflecting heightened international interest in productive farmland assets. In response, there is growing public and political pressure at both the federal and state levels to tighten regulations on foreign land ownership, particularly in regions deemed critical to national food security.

FIGURE 1 **Acres Owned by Farm Operators, Operator Landlords, and Non-Operator Landlords**

Source: USDA ERS

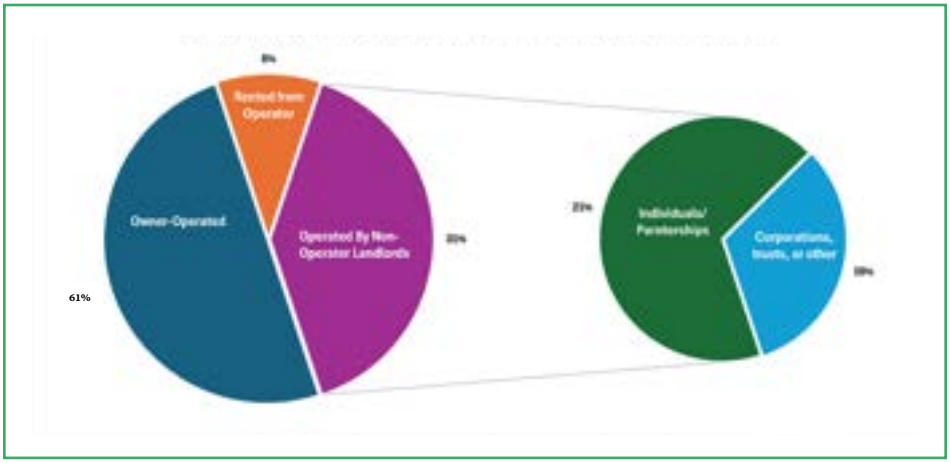


FIGURE 2 **US Farmland Crop Mix & Ownership Distribution**

Source: USDA 2022

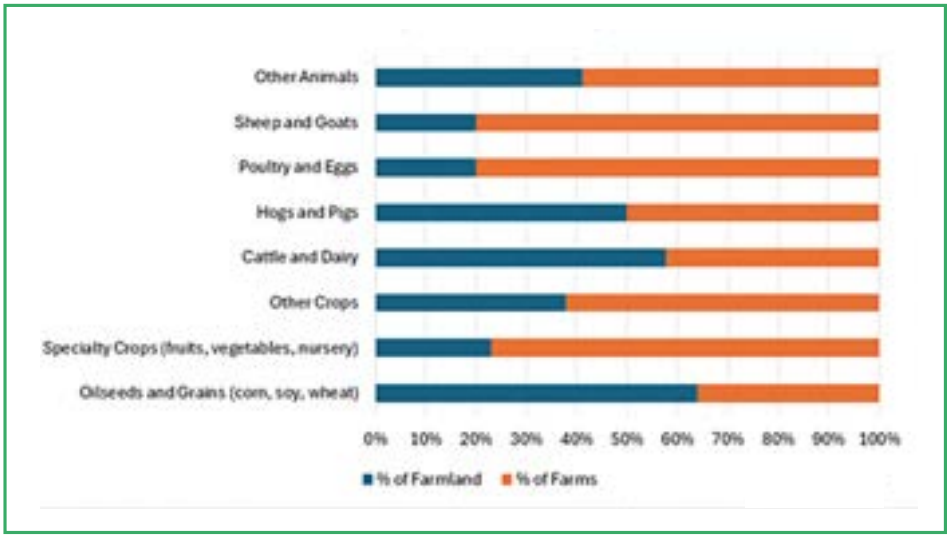


FIGURE 3 **Total Value of Agricultural Crop Production by State**

Source: USDA

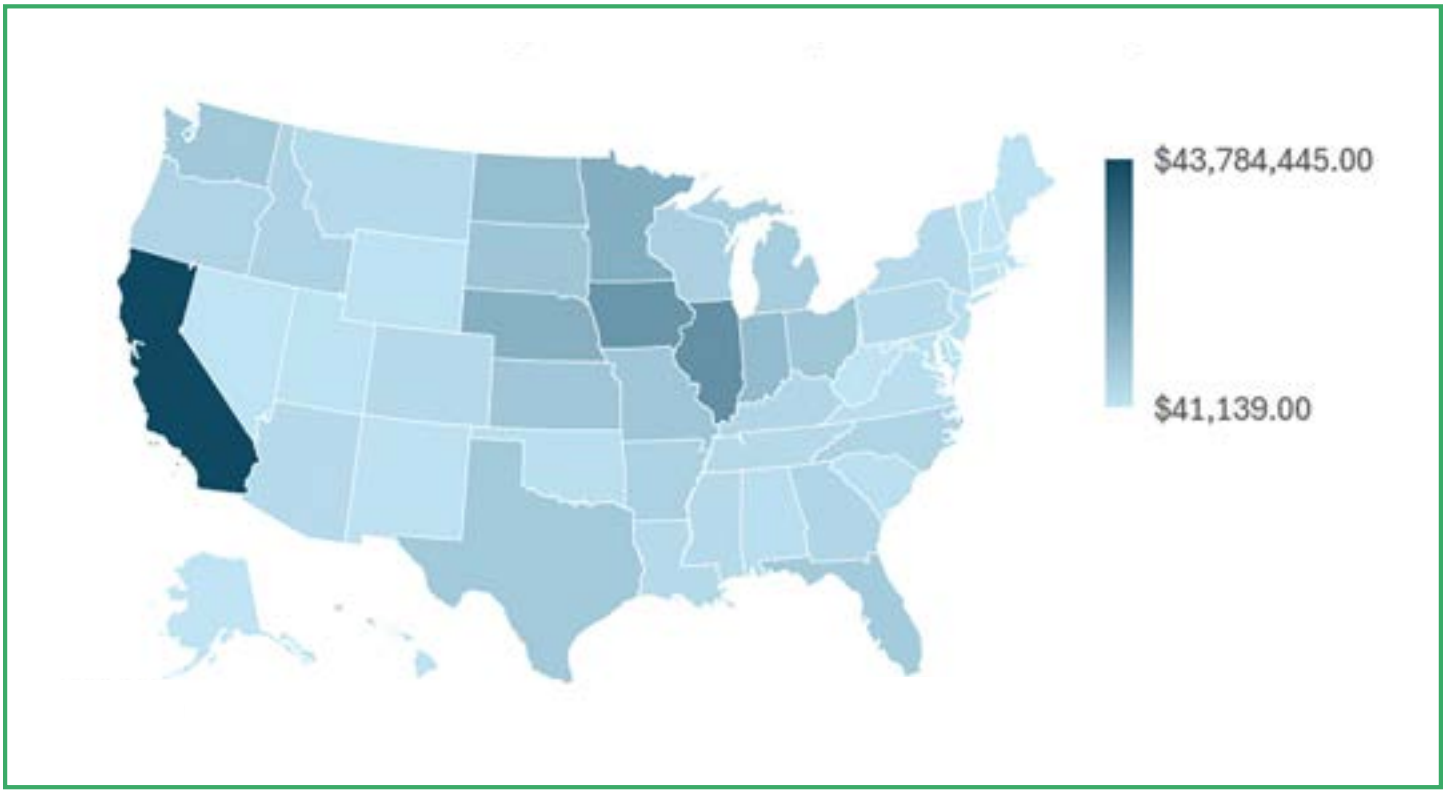
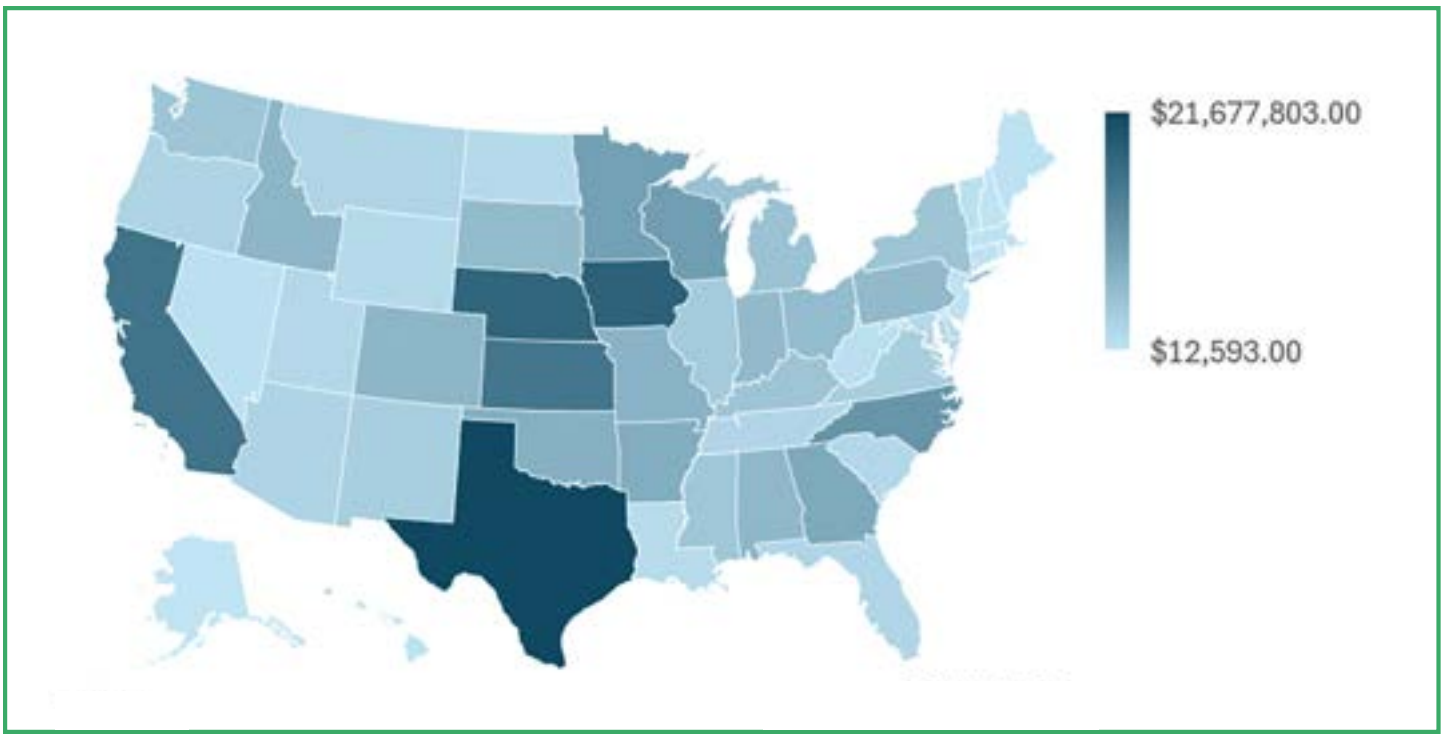


FIGURE 4 **Total Value of Livestock Production by State**

Source: UDSA



FOREIGN INVESTMENT REGULATIONS

Oversight by the Committee on Foreign Investment in the United States (CFIUS) has expanded in recent years to include agriculture-adjacent sectors, such as water rights and food processing facilities, particularly where transactions involve proximity to sensitive military or energy infrastructure. In parallel, several U.S. states have introduced legislation aimed at banning or restricting foreign ownership of farmland, with a specific focus on limiting acquisitions by entities linked to China, Iran, North Korea, and Russia. These measures reflect growing bipartisan concern over national security, food sovereignty, and foreign influence in critical supply chains.

MARKET OPPORTUNITIES AND RISKS

The U.S. farmland market is entering a phase characterized by a growing recognition of farmland as a long-term, strategic asset. Institutional and family office investors are increasingly attracted to farmland for its ability to provide steady income streams, inflation protection, and portfolio diversification. Farmland's role as a generational wealth preservation vehicle is driving demand for high-quality assets with strong fundamentals, such as water security, infrastructure, and proven productivity. These premium attributes are becoming essential in buyer decision-making, leading to a concentration of capital into core agricultural regions with reliable yields.

U.S. farmland has experienced multiple years of strong growth in land prices throughout the United States. The "real asset" features

TABLE 1 **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Key Details
Commodity Prices	• Corn, soybeans, and wheat at five-year lows due to strong yields and weakened demand from trade challenges • Live cattle at five-year highs from prolonged drought, inventory shortages, and high feed costs. • Lean hogs show partial recovery but remain volatile, reflecting domestic demand and export sensitivities.
Input Costs	• Stabilized in 2025 after the sharp 2024 spike caused by fertilizer and chemical shortages tied to the Ukraine conflict. • 2026 projections suggest rising costs again due to tariffs and geopolitical uncertainty around key inputs.
Interest Rates	• Federal Reserve has begun cutting rates in response to labor market softening however Inflation remains stubbornly high, limiting economic relief. • Market expects possible further cuts, but outlook is uncertain if economic indicators shift.
Subsidies	• Crop insurance remains the core of the U.S. farm safety net, covering weather losses and price volatility. • Federal government reiterates strong support for subsidies which provides producers with income stability amid volatile market and operating conditions.

TABLE 2 **Value Trends**

Land Laws, Taxation, Tariffs, and Key Policy Considerations

Category	Key Details
Land Ownership Laws	• Regulations vary widely across states. Nine states enforce anti-corporate farming laws, restricting or prohibiting corporate ownership/operation of farmland. • Growing push to restrict foreign ownership, especially in areas tied to food security or national interests such as military bases.
Taxation	• Federal estate tax exemption raised to $15M per individual / $30M per couple under the Great Big Beautiful Bill which provides relief to multi-generational farm families facing succession challenges. • State estate tax laws vary significantly, with lower thresholds that still affect farmland transfers.
Tariffs & Trade	• U.S. runs an ag trade deficit: exports bulk, lower-value commodities (corn, soybeans, wheat) but imports higher-value crops (citrus, avocados, coffee, cocoa). • Tariff tensions with China and EU weigh on U.S. competitiveness. • Impacts farm income and long-term investment decisions.
Policy Environment	• 2025 Farm Bill under debate. Expected provisions include: crop insurance funding, conservation/climate-smart ag, renewable energy, and bio-fuel support. • Outcomes will affect subsidy structures, environmental compliance, and long-term farmland investment incentives.

of farmland provide resilience against market volatility and regulatory uncertainty. Overall, U.S. farmland values are up 43.6% over the past five years, with some regions exhibiting even stronger appreciation rates.

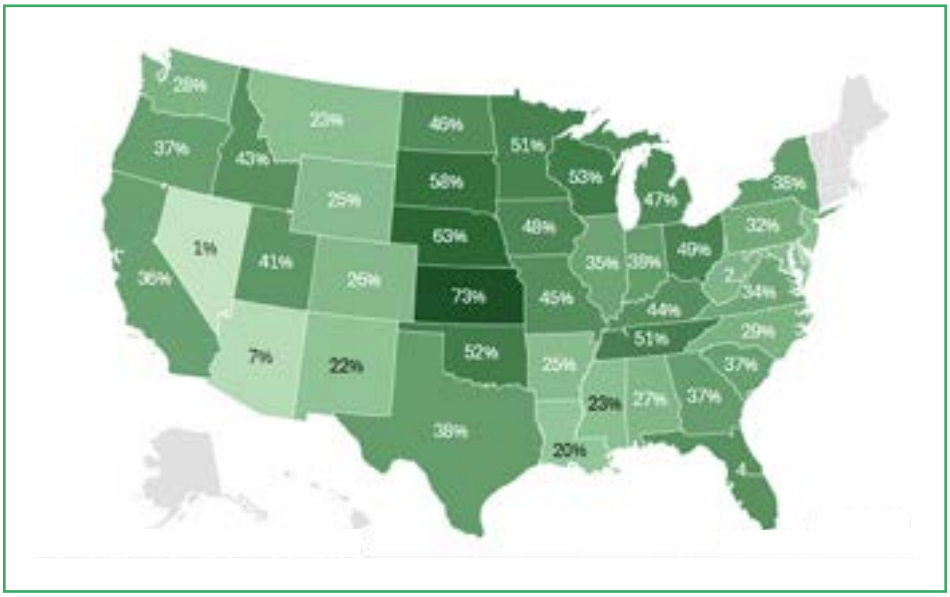
Government support mechanisms, including crop insurance programs and consistent policy frameworks, continue to support downside protection for producers and investors alike. Despite broader economic uncertainties, these support structures help stabilize cash flows and provide confidence in the farmland's risk-return profile.
However, farmland investors face several notable risks. Rising interest rates and the increasing cost of capital have squeezed return margins, particularly for investments reliant on leverage. This dynamic requires careful underwriting and more conservative capital structures to maintain attractive risk-adjusted returns.

Input cost inflation, especially for fertilizers, chemicals, fuel, and labor, remains a persistent challenge, amplified by ongoing geopolitical tensions and trade disruptions. As always, weather variability, including droughts, floods, and shifting weather patterns, poses material risks to productivity and operating costs, particularly in water-dependent regions. Water continues to be an increasingly valuable resource in water-scarce areas such as California.

FIGURE 5

2020-2025 U.S. Farmland Appreciation Rate

Sources: TIAA Center for Farmland Research, USDA



Policy and regulatory risks also weigh heavily on the sector. Evolving land ownership restrictions, particularly concerning foreign investment, shifting tax laws, changes to Farm Bill provisions, and trade policy uncertainty (including tariffs and export restrictions) can all materially impact returns. Investors must closely monitor these factors and anticipate regulatory developments that could affect land values and operational viability. While there hasn't been significant chatter about limiting institutional ownership, that risk always exists.

Liquidity and exit considerations represent another important risk. Farmland is inherently illiquid compared to other asset classes, with transactions often concentrated among cash-rich, patient capital providers. Investors with shorter-term horizons or those expecting rapid appreciation may find this challenging. Finally, geographic divergence in farmland performance is increasing. Core, irrigated, and infrastructure-rich regions continue to attract premium pricing and stable returns, while more marginal lands, those with limited water access or distant from markets, face greater uncertainty and risk. This bifurcation necessitates selective, informed investment strategies that prioritize quality and location.

UNITED KINGDOM

MARKET SIZE AND STRUCTURE

The United Kingdom farmland market represents a resilient and strategically important asset class, offering both income and capital growth potential. The UK's agricultural industry represents one of the most significant land-based asset classes in the country, encompassing around 17.3 million hectares of farmland, or roughly 70% of the UK's total land area. The sector is both diverse and regionally distinct, reflecting variations in climate, topography, and land quality across England, Scotland, Wales, and Northern Ireland. England accounts for roughly two-thirds of total agricultural land, followed by Scotland (25%), Wales (9%), and Northern Ireland (6%).

Arable farming is most concentrated in the eastern regions of England, particularly the East Midlands and East of England, where fertile Grade 1 and 2 soils dominate and average farm sizes tend to be larger than the UK average of 81 hectares. In contrast, livestock and mixed farming dominate in the west and northern regions, including Wales, Northern Ireland, and Scotland's upland areas, where soil type, terrain and rainfall patterns are more conducive to grazing systems.

Agricultural production in the United Kingdom is highly diversified, with output value spread across both livestock and crop sectors. The value of the UK's agricultural products is over £31 billion annually. The dairy industry is the single largest contributor, accounting for approximately 19% of total agricultural output, followed by cereals (14%), beef (13%), and poultry (11%). Together, these four sectors make up over half of the total value of UK agriculture.

FIGURE 6 **United Kingdom Land Use Statstics**

% of Total Agricultural Land

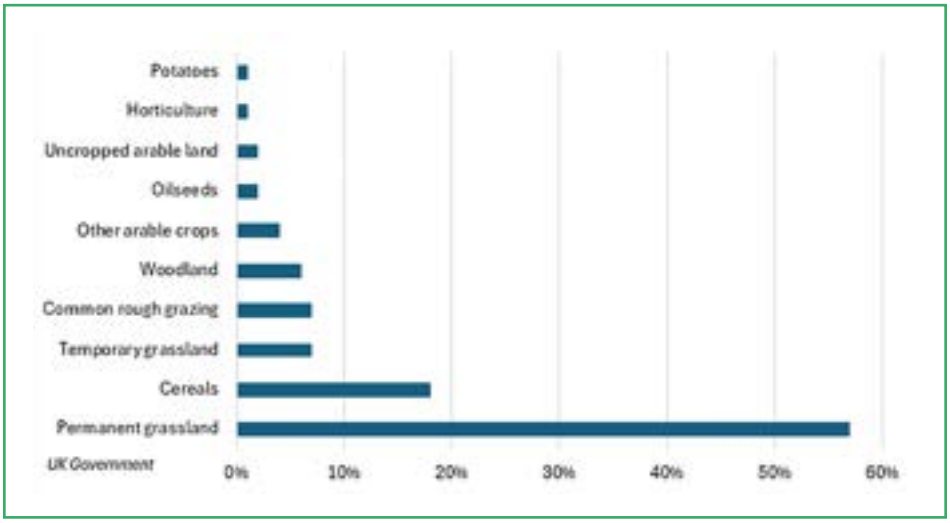
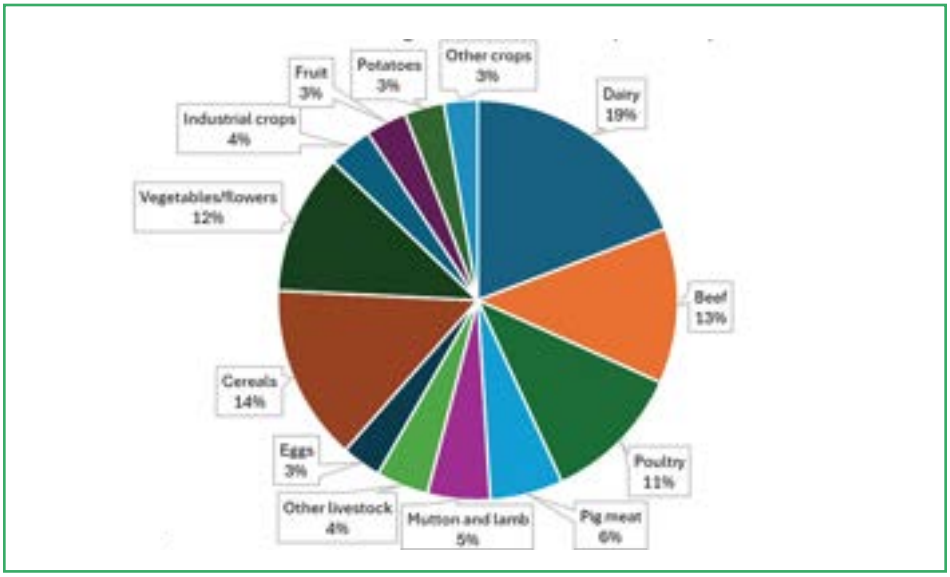


FIGURE 7 **Value of UK's Agricultural Product (£ Billion)**

Source: UK Government



High-value crop categories such as vegetables and flowers (12%), industrial crops (4%), and fruit (3%) reflect the country's mixed production systems and the importance of horticulture to domestic markets. Meanwhile, the sheep and lamb sector (5%), along with pig meat (6%), eggs (3%), and other livestock (4%), round out the remainder of production value, highlighting the continued strength of animal agriculture across the UK.

This balance between livestock and cropping underscores the sector's resilience and regional diversity — with arable cropping concentrated in the East and Southeast, and livestock enterprises dominating the higher rainfall western regions of England, Wales, and Scotland.

The structure of farm ownership in the UK is evolving, with a mix of owner-occupied and tenanted arrangements. As of recent data, approximately 54% of farmland is owner-occupied, while 14% is rented, often under the Agricultural Holdings Act or Farm Business Tenancies. The remainder is occupied with a variety of mixed tenure arrangements with contract farming joint venture (CFA) arrangements dominating the alternative arable land operating arrangements.

This blend of ownership structures reflects both the historical legacy of estate ownership, and the growing role of institutional and corporate investors, large scale farming operators aggregating separately owned holdings, but operated under CFA arrangements, as well as charitable and public-sector landholders such as the Forestry Commission, National Trust, and Crown Estate, which together manage several million acres of land.

In recent years, investor interest has been supported by the relative stability and strength of farmland values and the diversification benefits it offers within investment portfolios. Average arable land values range between £8,000–£10,000 per acre, with top-quality Grade 1 soils in the Fens reaching £20,000 per acre, while pasture values average around £6,000 per acre.

VALUE TRENDS

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Agricultural profitability in the United Kingdom continues to be shaped by the interplay between volatile commodity prices, rising input costs, changing interest rates, and the reform of government support programs. Together, these factors determine both short-term income stability and long-term investment attractiveness in the farming sector. Currently, returns from arable farming in the UK have been heavily impacted by the withdrawal of both Govt support and the worst drought on record in 2025.

Land Laws, Taxation, Tariffs, and Key Policy Considerations

Post-Brexit agricultural policy is shifting from area-based subsidies toward a "public money for public goods" model, rewarding

TABLE 3 **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Trend	Effect on Sector
Commodity Prices	Volatile — strong post-2022 recovery in vegtables, cereals and dairy and very strong livestock prices across all sectors. But collapse of cereal/grain prices in 24/25 to well below cost of production.	Impacts farm income and land values, and demand from arable (non-specialist / or irrigated crop) farmers has weakened the market in 2025.
Input Costs	+44% overall since 2019; fertilizer and feed and operating costs more than doubled.	Margin pressure across all enterprises, particularly non specialist/or irrigated, non-diversified arable farms.
Input Rates	Farm borrowing costs uUp from less than before 2019 and currently hovering around 64% (Bank of England base rate now 4%).	Higher borrowing costs limit expansion, investment, and land purchases.
Subsidies	Direct Basic Payments being phased out post Brexit 2021-27, (now terminated early in 20025 under the current Goverment); transition to Environmental Land Management schemes (ELM's) – now also closed under current Goverment.	Goverment Income support shifting toward sustainability outcomes "public money for public good", but now closed to new applications (2025) and effectively withdrawn from support to commercial farming operations.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in UK farmland remains possible and is increasingly guided by a transparent review process, particularly for larger or strategically significant acquisitions. There is no restriction on foreign investment / land ownership that meets the usual Financial Services Authority compliance checks as to source of funds, etc. Current diverse ownership of UK farmland, includes private individuals, corporations, trusts, and overseas investors.

The inheritance tax changes and adjustments to reliefs may encourage a more sustainable and operationally focused investment in farmland, rather than speculative non-farming purchases. Historically, tax incentives have attracted investors seeking financial benefits; refinements to these reliefs may encourage a stronger alignment with productive, long-term land operating returns including natural capital and carbon related land uses.

Furthermore, planning regulations, local authority oversight, and national infrastructure policies help ensure that farmland is used thoughtfully and sustainably, and provide different drivers for returns from land ownership. While these measures can limit rapid repurposing, they also provide stability and predictability for investors, supporting a resilient and well-managed agricultural sector.

farmers for delivering environmental, carbon, and biodiversity outcomes – in theory. This transition introduces some short-term risk: farms that previously relied on direct payments havemay seen reduced support by as much as £90/ac (£220/ha), and not all land will qualify for environmental scheme payments. Inheritance tax reform introduced by the current government in October 24 to apply from April 26 is also emerging as an important policy consideration. In the past Currently, Agricultural Property Relief (APR) and Business Property Relief (BPR) allow farmland to pass to heirs with minimal or no tax liability, provided it is held or farmed for specified periods. The proposed changes coming into force April 26 could influence long-term investment and are influencing current succession planning.

Trade and tariffs remain significant factors. Post-EU exit, new sanitary and phytosanitary requirements, rules of origin, and border checks have added friction for agricultural trade and export of food and agricultural goods from the UK to the EU, yet EU imports remain relatively unaffectedinput access. At the same time, the UK now has greater freedom to negotiate trade agreements, which in theory could reduce barriers to non EU countries, expand markets, and create opportunities, but also increase exposure to competition from lower-cost international producers. In reality, the Brexit trade impact has had a significantly negative trade impact to UK agriculture in terms of reducing UK food and ag exports to the EU.

MARKET OPPORTUNITIES AND RISKS

UK farmland presents attractive long-term opportunities for investors due to its productive and diverse land base, particularly high-quality Grade 1 and 2 arable land in Eastern England and The Fens. Approximately 70% of the UK's land is farmed, with a mix of owner-occupied and tenanted holdings providing liquidity and flexibility. Strong public and political support for domestic food production, combined with government incentives through "public money for public goods" schemes, enhances the sector's strategic value. Well-capitalized buyers can also take advantage of fragmented land holdings, modest average farm sizes, and potential trade opportunities emerging from post-Brexit agreements to build resilient and diversified portfolios with income and capital growth from both farm production, environmental/natural capital, renewable energy, commercial and residential conversions of farm yards/ buildings or land allocations.

At the same time, investors face risks from transitional agricultural policies, including reductions in direct subsidies and eligibility limits for environmental payments. Proposed linheritance tax reforms and rising input costs add pressure, while extremes of weather, land use competition, and regulatory frictions create uncertainty. Demographic trends, with an aging farming population, may also influence succession and management decisions. Overall, UK farmland offers a balance of stable income potential and long-term appreciation, but success requires careful asset selection, operational insight, and awareness of evolving policy and market conditions.

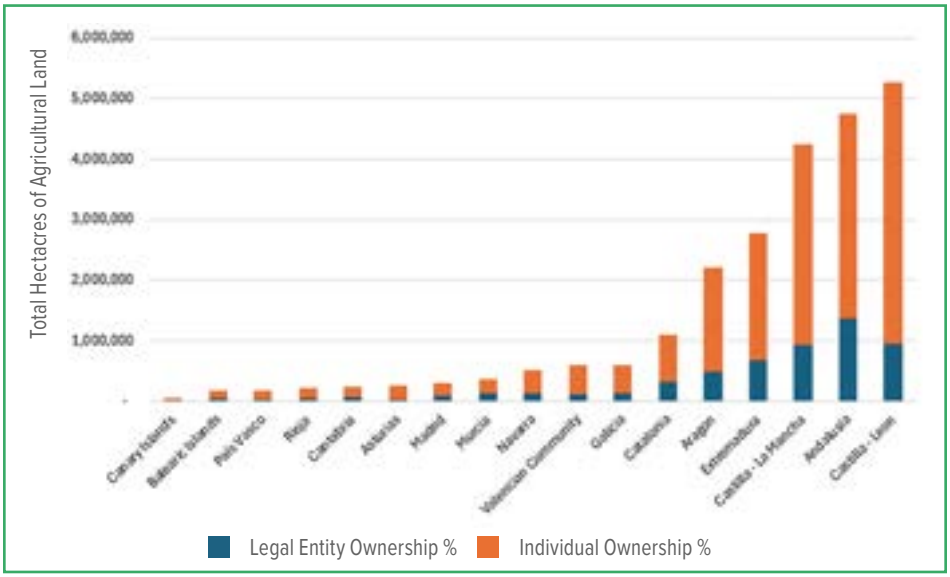
SPAIN

MARKET SIZE AND STRUCTURE

Spain's agrifood sector is one of the most attractive investment markets for permanent crops offering a combination of favorable climate, diverse high-value crops, water-rights integration, and relatively competitive land prices. Agriculture occupies roughly 16.7 million hectares, representing about one-third of the national territory. Within this cultivated area, arable land accounts for approximately 66%, with cereals dominating the landscape, while the remaining 34% is permanent crops, including olives, vineyards, almonds, citrus, and subtropical crops. The distribution of crops varies significantly by region, with Andalusia, Murcia, Extremadura, and Valencia serving as key hotspots for irrigated, high-value permanent crops. In contrast, cereals and other arable crops are more prevalent in central and northern regions.

Land ownership in Spain exhibits a classic "few big players, many small ones" pattern. Legal entities, including agribusiness firms and cooperatives, control approximately 23 % of the total Utilizable Agricultural Area (UAA) while representing only 6 % of all land-owning entities. These companies typically manage large parcels and focus on commercial, mechanized operations. In contrast, individual owners account for roughly 76% of farmland and make up over 90% of all entities, reflecting a prevalence of small-scale farmers and household plots across the country. This dual structure creates a market where large-scale commercial investors coexist with a broad base of smaller, often family-owned, agricultural operations.

FIGURE 8 **Agricultural Land Distribution in Spain by Ownership Type**



Regional differences further highlight the diversity of ownership structures. For example, legal entities hold as little as 19 % of farmland in the Valencian Community but up to30 % in the Canary Islands. Similarly, the share of legal entities varies from 5% in Castilla-La Mancha to 11% in Aragon, indicating the presence of stronger agribusiness operations in certain regions.

VALUE TRENDS

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Commodity prices across citrus, olives, nuts, and subtropical crops have experienced price volatility, reflecting seasonal production patterns and export demand. Input costs are generally rising, driven by fertilizers, seeds, and machinery maintenance, though energy expenses have eased slightly. Meanwhile, interest rates have increased, affecting the cost of financing land and operations, while subsidies from the EU and regional programs remain stable or show modest growth, providing support for long-term investments.

Spain's agricultural sector operates within a well-defined legal and policy framework that shapes investment and operational decisions.

MARKET OPPORTUNITIES AND RISKS

Spain's agrifood sector presents several compelling investment opportunities. The country's climatic advantages, well-developed irrigation infrastructure, and diverse high-value crops such as citrus, olives, almonds, and subtropicals provide avenues for stable and potentially high returns. Export-oriented crops, particularly

FOREIGN INVESTMENT REGULATIONS

Foreign investment in Spanish agricultural land is generally permitted, though subject to regulatory oversight to ensure compliance with national and EU rules. The government monitors acquisitions by non-resident entities, particularly where strategic water resources or large-scale landholdings are involved. Investors benefit from a transparent legal system and clearly defined water rights that are tied to the land, but must navigate reporting requirements and, in some cases, restrictions on ownership concentration. These regulations are designed to balance open market access with the protection of domestic agricultural resources and long-term sustainability.

TABLE 4 **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Current Trend / Movement
Commodity Prices	Mixed trends; citrus, olive oil, nuts, and subtropical crops have seen both upward and downward movements depending on season and export demand.
Input Costs	Generally upward; fertilizers, seeds, and machinery maintenance rising, while energy costs eased slightly.
Input Rates	Rising; higher European rates increase financing costs for land and farm operations.
Subsidies	Stable to slightly increasing; EU and regional programs help stabilize incomes and support long-term investments, especially in permanent crops.

those destined for European markets, continue to benefit from strong demand, creating opportunities for growth in both traditional and niche products. Competitive land prices in regions like Extremadura, combined with the potential for value-added operations such as processing or integrated supply chain investments, further enhance the attractiveness for institutional investors, family offices, and agri-focused funds. Additionally, the bundled ownership of land and water rights simplifies operational management and reduces risk for cross-border investors.

Climatic volatility, including extreme temperatures and drought, poses a threat to crop yields, particularly in water-intensive permanent crops. Regulatory changes, including tighter land-use restrictions and EU environmental standards, can limit crop protection options and affect operational flexibility. Labor availability and rising costs during peak seasons are additional concerns, especially for high-value crops requiring intensive management. Foreign investors must also remain aware of regulatory oversight on large-scale land acquisitions to ensure compliance with ownership and reporting requirements.

Overall, Spain offers attractive opportunities for agricultural investments whilst careful consideration of climate, regulatory, and operational risks are essential to achieving sustainable, long-term returns.

TABLE 5 **Value Trends**

Category	Key Features / Trend	Notes / Implications
Land Laws	Private ownership dominates; few companies control large parcels, majority small-scale individual farmers. Water rights are tied to land.	Bundled land and water rights simplify investment in irrigated crops and permanent crops.
Taxation	Incentives for environmental compliance and sustainable farming.	Special VAT regime for agriculture and reduced tax on fuels used in agriculture.
Subsidies & Support	EU CAP direct payments, rural development funds, crop-specific aid.	Promotes long-term investment, diversification, and modernization of operations.
Tariffs & Trade Policy	EU-wide tariffs and trade agreements regulate exports/imports; high-value crops benefit from preferential access to European markets.	Directly impacts profitability and export potential, especially for citrus, olive oil, nuts, and subtropicals.
Regulatory & Policy Risks	Stricter land use rules, environmental regulations, and pesticide restrictions.	Could constrain expansion of high-value crops and increase compliance costs.

POLAND

MARKET SIZE AND STRUCTURE

Poland's agricultural sector occupies roughly 15 million hectares, with approximately 11 million hectares as arable land, 3.2 million hectares of meadows and pastures, and 0.4 million hectares of permanent crops. As one of the EU's largest agricultural producers, Poland represents the most mature market of the former Eastern Block countries. Since joining the EU in 2004, productivity has increased significantly due to improved access to high-quality seed and crop protection, adoption of modern technology, enhanced management practices, financing and EU support. These productivity gains have been capitalized into a steadily rising land market. A stable political environment and strong economic growth has underpinned this progress, making Poland a reliable investment market.

Agricultural production in Poland is concentrated in specific voivodeships according to crop type. Western-central voivodeships specialize in cereals, potatoes, sugar beet, rapeseed, and vegetables, while central-eastern regions focus on livestock, milk, fruit, and vegetables. Podlaskie and Warmia-Masuria are key dairy regions, and Opole is notable for rapeseed and vegetables.

High-value crop categories such as vegetables and flowers (12%), industrial crops (4%), and fruit (3%) reflect the country's mixed production systems and the importance of horticulture to domestic markets. Meanwhile, the sheep and lamb sector (5%), along with pig meat (6%), eggs (3%), and other livestock (4%), round out the remainder of production value, highlighting the continued strength of animal agriculture across the UK.

TABLE 6 **Poland Commodities**

Commodity	Key Producting Regions	Notes
Livestock	Masovian, Łódź, Greater Poland	Large-scale farms combined with feed-crop areas dominate output
Dairy	Podlaskie, Masovian, Greater Poland, Warmia-Masuria	Extensive pasturelands and modern dairy cooperatives
Cereals	Greater Poland, Lower Silesia, West Pomeranian, Kuyavian-Pomeranian, Pomeranian, Opole	Approximately 75 % of national cereal production
Potatoes	Greater Poland, Pomeranian, Kuyavian-Pomeranian	High yields due to fertile soils and temperate climate
Sugar Beats	Greater Poland, Kuyavian-Pomeranian, Lublin	Over half of national output
Rapeseed	Greater Poland, Pomeranian, Kuyavian-Pomeranian	Soil conditions ideal for oilseed cultivation
Vegetables	Opole, Lower Silesia, Kuyavian-Pomeranian, Pomeranian	Intensive horticultural farms near major markets
Fruit	Masovian, Świętokrzyskie, Lublin, Łódź	Diverse orchards and favorable microclimates

Poland's agricultural land has historically been fragmented, but consolidation has accelerated between 2010 and 2020. Total farms fell from 1.51 million to 1.32 million, while farms over 100 hectares grew 43%, reflecting the expansion of commercial operations. Medium-large farms (30–99.99 hectares) also increased, while the smallest farms (1.01–1.99 hectares) declined sharply by 27 %, merging into larger units or exiting production.

Consolidation creates opportunities for large-scale, efficient farming operations. Smaller farms continue to exit or merge, offering acquisition targets, while state-managed land provides additional long-term investment options. Poland is transitioning toward a more commercially oriented, consolidated agricultural sector, favorable for both domestic and foreign investors.

Foreign investors generally acquire land through corporate structures, as this is the most feasible way to navigate local restrictions. While there are no strict limits on the total land that can be held in corporate entities, many investors use multiple companies to maintain flexibility in ownership and potential divestment. Regulatory oversight ensures compliance with ownership limits, reporting requirements, and strategic management of land resources, balancing open investment access with the protection of domestic agriculture and long-term sustainability.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in Polish agricultural land is permitted, but it is subject to specific legal and regulatory oversight. The National Support Centre for Agriculture (KOWR) holds pre-emption rights over certain land transactions, particularly for purchases by non-resident entities or corporate structures owning agricultural land. Individual farmers can acquire land without KOWR approval only if they meet strict criteria, including residency in the municipality for at least five years, owning and managing no more than 300 hectares post-transaction, having agricultural qualifications, and personally managing the farm.

MARKET OPPORTUNITIES AND RISKS

Poland's agrifood sector presents a mix of compelling investment opportunities and notable risks. On the opportunity side, the country's large-scale, consolidated farms and fertile arable land offer potential for stable, long-term returns. Key crops such as cereals, rapeseed, potatoes, vegetables, and fruit benefit from established production clusters in regions like Greater Poland, Kuyavian-Pomeranian, and Masovian. Rising yields, increasing productivity, and competitive land prices make Poland an attractive destination for investors seeking exposure to both primary production and value-added operations, including processing, storage, and integrated supply chains. EU membership further supports the sector through direct payments, rural development funds, and access to preferential European markets.

However, several risks must be considered. Climatic variability, including droughts, extreme temperatures, and inconsistent rainfall, can affect yields and crop quality, often necessitating investments in irrigation and risk mitigation measures. Regulatory pressures from environmental policies, including the EU Green Deal, may increase production costs or impose operational constraints. Inflation and rising input costs, especially for fertilizers, energy, and labor, can impact profitability. Geopolitical and trade risks, including imports from Ukraine and the Mercosur agreement, also introduce market uncertainty. Lastly, foreign investors must navigate KOWR oversight and local restrictions on individual farm acquisitions, which may affect investment structures and timelines.

Overall, Poland offers a robust agricultural market with strong growth potential, but investors must balance productivity gains with climate, regulatory, and market risks to ensure sustainable, long-term returns.

TABLE 7 — **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Current Trend / Movement
Commodity Prices	Mixed; cereals, rapeseed up; potatoes down; field vegetables, fruit, and dairy stable or rising.
Input Costs	Rising; fertilizers, plant protection, machinery, energy, and labor costs increasing.
Input Rates	Rising; higher rates increase financing costs for land and operations.
Subsidies	Stable; Common Agricultural Policy (CAP) and rural development funds support income stability and long-term investment.

ROMANIA

MARKET SIZE AND STRUCTURE

Romania is a major agricultural player in the EU, with roughly 13.5 million hectares of farmland. The sector features a dual structure: numerous small family or part-time farms coexist with fewer medium and large commercial holdings. The average farm size is about 4.3–4.4 hectares, reflecting significant fragmentation. Larger commercial farms contribute disproportionately to production and consolidate land where possible. Agriculture employs roughly 20–25% of the population, with a high share of farmers over 65, influencing mechanization, succession, and consolidation.

Cereals and oilseeds dominate production, particularly in western and central counties with fertile soils and access to irrigation. Other key crops include potatoes, vegetables, vineyards, and fruit orchards. The 2025 harvest is expected to rebound strongly after the drought-affected 2024 season, demonstrating both the potential and climate vulnerability of Romanian agriculture.

VALUE TRENDS

Farmland prices have risen sharply over the past decade, with national averages in 2024–2025 of €7,000–9,000 per hectare. Prime irrigated western and central regions exceed this range. Price growth of 25–40% since 2015 reflects improved farm management, higher productivity, greater access to credit, and competition for quality soils. While total agricultural area has remained stable, intensification and shifts toward cereals and oilseeds have boosted yields and land values.

Private ownership dominates, though some state-owned land is leased. Foreign buyers may acquire land only through corporate entities, with local parties often holding pre-emptive rights. EU CAP subsidies provide income support and co-financing for modernization, green transition projects, precision agriculture, and rural development.

Trade policy and EU market access underpin export opportunities for cereals, oilseeds, and other crops. Environmental regulations, including water protection and drought management, may increase operational costs and constrain expansion in certain regions.

Foreign investment in Romanian agricultural land is permitted but heavily regulated. Non-Romanian buyers must purchase land through corporate entities, ensuring compliance with pre-emptive rights, ownership caps, and local registration requirements. Political sensitivity around foreign acquisitions has increased, requiring careful structuring to mitigate regulatory risk.

TABLE 8 — **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Current Trend / Movement
Commodity Prices	Moderate volatility; cereals and oilseeds subject to global price sensitivity.
Input Costs	Rising; fertilizers, energy, and labor costs are increasing.
Input Rates	Stable to falling; financing access varies by farm size and has improved significantly.
EU/Policy Support	CAP funds and green transition co-financing support modernization and resilience projects.

MARKET OPPORTUNITIES AND RISKS

Romania offers compelling investment opportunities. Fertile soil and large-scale farms support high-margin crops, while the country's role as a key cereal and oilseed exporter ensures stable demand. Opportunities exist in processing, storage, irrigation, contract farming, and aggregation models that consolidate fragmented holdings. EU CAP and green transition funds further enhance productivity and modernization.

Risks remain significant. Climate variability, including droughts and floods, threatens yields, particularly in non-irrigated areas. Farm fragmentation and an aging workforce slow productivity gains and complicate consolidation. Political sensitivity around foreign ownership, input cost volatility, financing constraints, and global commodity price swings affect profitability. Infrastructure limitations, including storage, logistics, and river navigation, can impede market access.

Overall, Romania presents strong medium- to long-term investment potential, especially for irrigated, high-quality land, aggregation platforms, value-added processing, and resilience-enhancing technologies. Effective management of climatic, regulatory, and market risks is essential to achieving sustainable returns.

AUSTRALIA

MARKET SIZE AND STRUCTURE

Australia's agricultural sector spans more than 385 million hectares, covering over half of the continent's landmass and serving as a cornerstone of the nation's economy. Valued at approximately $1.2 trillion, the sector is marked by both tradition and transformation. While 99% of farms remain family-owned, consolidation trends, corporate investment, and foreign capital continue to reshape ownership structures. About 28% of farmland is rented, according to Rabobank, reflecting evolving access and operational models. At the same time, advancements in technology and the sector's strong orientation toward export markets are driving growth and competitiveness on the global stage. The ownership of farmland in Australia largely varies depending on the commodity and region in Australia's vast landscape.

Foreign ownership of Australian land varies based on the state or territory. The largest proportion of foreign-owned land is in the Northern Territory, largely in large pastoral leases. Queensland holds the largest total area of foreign-owned land, mostly leasehold. Western Australia sees substantial foreign investment across cropping and livestock operations, while South Australia attracts capital in wine, almonds, and mixed farming. Victoria draws foreign interest in dairy and horticulture, particularly almonds, and New South Wales has smaller foreign holdings in major cotton, almond, and cropping regions. Tasmania is favored for dairy, vineyards, and horticulture, generally in smaller land parcels.

This data is based off the most recently available reporting period. The Queensland percentage of foreign held land will have decreased as a result of the state government's application of an additional 3% land tax to foreign ownership.

TABLE 9 **Australian Commodities**

Commodity	Ownership Type	Regions	Foreign Investment	Land Tenure
Livestock (Beef/Lamb)	Predominantly large-scale pastoral leaseholders and family enterprises.	All states, including Tasmania.	High - especially in organic beef and extensive grazing properties (e.g., Hewitt's 5.6M ha holdings).	Mostly leasehold in northern Australia, due to Crown land policies. Freehold in most of Southern Australia.
Broadacre Cropping (Wheat, Barley, Canola)	Mixed—family farms dominate, but corporate investment is growing.	WA Wheatbelt, Riverina southern slopes & northern NSW, Eyre Peninsula (SA). Southern QLD.	Moderate—some Canadian and US firms involved.	Primarily freehold.
Cotton	Joint ventures and corporate agribusinesses (e.g., Australian Food and Fibre).	Namoi, Macquarie, and Murrumbidgee valleys (NSW).	Significant -attractive due to export potential and water entitlements.	Freehold with high-value irrigation licenses.
Dairy	Mostly families with emerging corporate interest. Corporate dominated in southern regions (e.g., Aurora Dairies), family farms elsewhere.	Victoria, Tasmania, South Australia.	Low, but increasing. Especially in vertically integrated operations.	Freehold.
Horticulture (Avocados, Citrus, Berries)	Corporate and private equity-backed firms (e.g., Simpson Farms, Fresh Country Farms).	Murray-Darling Basin, East Coast and Southeast Coast.	High - driven by export demand and long-term yield stability.	Freehold, often with intensive irrigation infrastructure.
Viticulture (Wine Grapes)	Mix of boutique family vineyards and large corporate estates.	SA, WA, TAS and Southern NSW.	Moderate—especially in premium wine regions.	Freehold.

FOREIGN INVESTMENT REGULATIONS

The Foreign Investment Review Board (FIRB) screens foreign purchases of agricultural assets exceeding $15 million in aggregate, though very few applications in the agribusiness sector have been rejected. Transparency is maintained through the Register of Foreign Ownership, which tracks holdings and investment trends. Recent regulatory changes have introduced stricter scrutiny on strategic assets, such as water rights and food supply chains, which has slowed certain foreign acquisitions.

FIGURE 9 – **Percentage of Total Foreign Held Agricultural Land in Australia**

Source: Australian Bureau of Statistics

TABLE 10 **Value Trends**

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

Category	Key Details
Commodity Prices	Beef, lamb, and cotton prices strong; grain prices volatile; wheat prices currently low.
Input Costs	Fertilizer and fuel costs up significantly post-pandemic, reducing margins.
Interest Rates	Higher rates slowed land transactions and investment; recent declines expected to boost activity, mainly in lower-end market.
Subsidies	Zero-subsidy environment vs. OECD peers; exceptions include drought relief and bio-security funding.

MARKET OPPORTUNITIES AND RISKS

2025 LAWD sales indicate that farmland demand has become highly selective, geographically divergent, and dominated by capital-rich operators. Scale, water access, and infrastructure remain non-negotiable drivers of value. Farmland prices have stabilized nationally, with minimal gains in core regions, and transaction activity remains subdued due to tight credit conditions and cautious lending. However, activity is starting to increase in the second half of 2025, supported by stronger commodity prices, interest rate reductions, and favorable seasonal conditions in certain regions. The interest rate cycle is expected to bottom out after two more 25-basis-point reductions, with forecasts now projecting increases toward the end of 2026. Institutional and family office buyers with strong liquidity are expected to dominate transactions, increasingly targeting high-quality, irrigated, and ESG-aligned assets.

Among the key risks to the Australian agriculture property market are potential significant and permanent changes to climate conditions. Australia has demonstrated resilience through multiple extreme cycles over the past 50 years, but the impact of permanent weather changes remains uncertain. Productivity growth may be limited; historically, agricultural properties have increased in value by roughly 6% annually over the past 40 years, driven by rising demand for quality produce, technological advances, a growing export market, and a stable regulatory environment. Any disruption to these factors could compress yields and affect property prices. Labor costs in Australia remain high relative to other agricultural economies, which could impact competitiveness without continued automation. Exchange rate volatility is another risk, as a stronger Australian dollar could reduce export returns. Additionally, macroeconomic factors, such as global fertilizer cost shocks stemming from conflicts like the Ukraine war, and trade tensions including U.S. tariffs, add further uncertainty to market outcomes.

TABLE 11 **Value Trends**

Land Laws, Taxation, Tariffs, and Key Policy Considerations

Category	Key Details
Land Tenure	Freehold dominates southern regions; leasehold is common in northern regions.
Taxation	Land tax varies by state; foreign owners face additional surcharges, e.g., Queensland's 3% levy has prompted asset turnover.
Tariffs	Generally low; trade tensions (e.g., with China) affect wine and barley exports; U.S. beef exports face 10% tariffs but U.S. is a small export market.
Policy Shifts	Increasing focus on climate resilience, carbon farming, and water reform, influencing land use and incentives.

TABLE 12 **Strategic Themes**

Theme	Strategic Takeaway
Farmland as a Strategic Asset	Large-scale holdings remain priority assets for institutional and family buyers.
Resilient Market Performance	Market resilience underpinned by quality assets with water/infrastructure.
Regional Divergence	Location, highest and best use, and water access drive valuation divergence across states.
Sustainability & Consumer Preferences	ESG-linked and water-secure assets remain highly attractive to buyers.
Transaction Activity & Credit	Cash-rich buyers lead – liquidity concentrated at the top end.

NEW ZEALAND

New Zealand's agricultural sector is both a pillar of the national economy and a driver of its global trade identity, underpinned by a reputation for premium dairy, meat, horticulture, and forestry exports. The industry is undergoing structural change, shaped by shifting land use, foreign investment regulation, environmental policy, and capital cycles.

According to Statistics New Zealand's Agricultural Production Statistics, farm numbers have declined from 70,336 to 47,250 properties (a 33% fall) over the 20-year period from 2002 to 2022, while agricultural land area decreased from 15.6 million to 13.2 million hectares (a 15% reduction). Farm consolidation, urban expansion, and environmental regulation have all contributed to this shift. While the reduction in land area is notable, the steeper decline in farm numbers reflects corporate consolidation, scaling efficiencies, and new land use patterns.

Urban and peri-urban growth around Auckland, Hamilton, Tauranga, Wellington, Nelson, and Christchurch has accelerated fragmentation of high-quality farmland, though the National Policy Statement for Highly Productive Land (2022) has introduced protections to slow further loss.

TABLE 13 **New Zealand Commodities**

Commodity	Ownership Type	Dominant Regions	Foreign Investment	Land Tenure(s)
Dairy	Predominantly owner-operators, sharemilkers, and contract milkers; corporate investment increasing	Waikato, Canterbury, Southland, Taranaki, Bay of Plenty	Strong foreign approvals 2011–2015; minimal post-2018	Mostly freehold; some leasehold
Sheep & Beef	Largely family-owned, with some corporate and Māori land holdings	Canterbury, Otago, Southland, Northland, East Coast	Limited interest except 2018 forestry conversions	Freehold, leasehold, Crown pastoral leases
Horticulture & Viticulture	Traditionally family-owned; corporate consolidation growing; lease and contract management common	Bay of Plenty, Hawke's Bay, Marlborough, Tasman, Central Otago	High foreign approvals 2012–2015, esp. Aus, US, Europe, China	Freehold, leasehold, Māori freehold
Forestry	Dominated by large corporates, foreign firms, iwi/treaty settlements; forestry rights prevalent	East Coast, Hawke's Bay, Central NI, Tasman, Otago, Southland, Northland	Significant foreign ownership via forestry test (Europe, Asia, N. America)	Mix of freehold, Crown licenses, forestry rights
Seafood	Primarily iwi and large corporates; some small-scale operators	Marlborough, Coromandel, Southland, Northland, Canterbury	Limited; some Asian investment in processing	Marine farm licenses, consents, Māori settlement rights
Arable	Family farms dominate; corporates limited	Canterbury, Southland, Manawatū, Hawke's Bay, Waikato	Minimal foreign activity	Freehold and leasehold

Unlike Australia, New Zealand does not publish a regional breakdown of foreign-owned farmland. Instead, oversight is provided by the Overseas Investment Office (OIO), which tracks approval decisions. Since 2022, about 60% of foreign approvals have occurred under the Special Forestry Test, highlighting forestry as the dominant vector for foreign capital inflows. Below summarizes the origin of foreign investments approved with investment proceedings through the Special Forestry Test since 2022.

Foreign investment peaked in dairy and horticulture in the early 2010s but slowed sharply post-2018 following regulatory tightening. Forestry remains the most open pathway, attracting substantial European, North American, and Asian interest.

VALUE TRENDS

Market Drivers: Commodity Prices

New Zealand's commodity prices show a mixed but generally positive outlook across sectors. Dairy continues to perform exceptionally well, with record highs in 2024/25 and strong global demand expected to sustain returns into 2025/26. Sheep and beef are rebounding sharply in 2025 after a weaker 2024, supported by rising international demand and a softer NZ dollar. Horticulture and viticulture present a varied picture—kiwifruit remains strong, while wine and hops face challenges from global oversupply, and apples and pears are stabilizing. Forestry prices remain volatile, though they are recovering from mid-2023 lows. In seafood, aquaculture is driving growth, led by mussels and salmon. Meanwhile, the arable sector shows a mixed grain outlook, with dairy feed demand underpinning performance and seed export prices holding steady.

FIGURE 10 **Foreign Investment Origin (New Zealand)**

Source: New Zealand's Agricultural Production Statistics

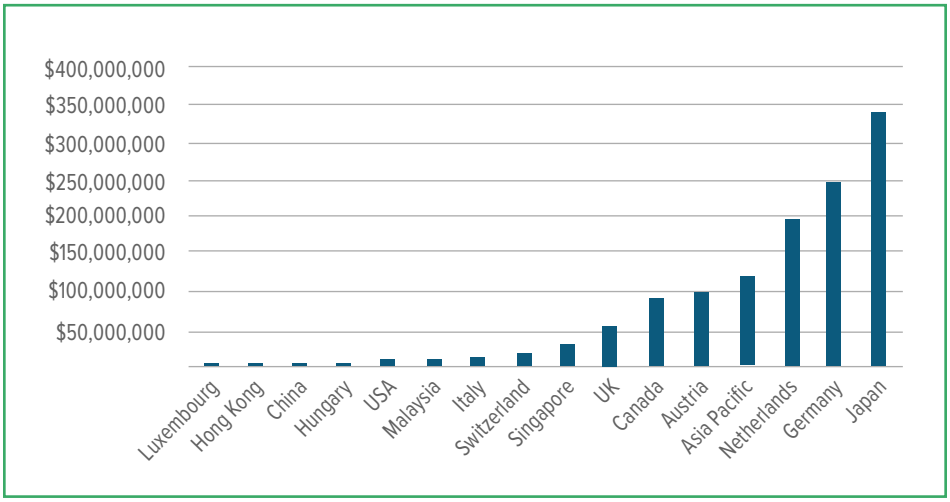


TABLE 14 **Value Trends**

Land Laws, Taxation, Tariffs, and Key Policy Considerations

Category	Key Details
Land Tenure	Freehold remains dominant, but leasehold and Māori freehold are important in horticulture and forestry.
Taxation	No capital gains tax, but the Bright-line test applies to residential property (reduced to two years in 2024). Local council rates vary widely.
Tariffs	EU-NZ FTA (2024) removed tariffs on EU agri-food exports. U.S. imposed 15% reciprocal tariffs on NZ agri exports. FTA negotiations with India ongoing.
Policy Shifts	Agriculture removed from ETS (Nov 2024), with farm-level pricing planned by 2030. New forestry restrictions effective from Oct 2025. Resource Management Act reform continues.

TABLE 15 **Strategic Themes**

Theme	Market Behavior	Strategic Takeaway
Farmer Confidence	Strengthening across dairy and horticulture; improved sentiment as rates ease	Expect a surge in selective but higher-value transactions
Established Sectors Resilient	Tier-one kiwifruit orchards trading at $1.2–1.5m/ha; Canterbury dairy >$60k/ha	Premium, water-secure assets command strong demand
Regional Divergence	Southland & NI dairy stable; Canterbury growth outpaces supply	Scale and irrigation are key differentiators
Environmental & Climate Pressure	Cyclone Gabrielle and other major weather events dampened confidence regionally	Market is shifting toward "second-tier" areas less exposed
Regulatory Controls	Forestry and dairy remain influenced by OIO approvals, NES reforms, and ETS exit	Policy uncertainty injects volatility into valuations

FOREIGN INVESTMENT REGULATIONS

New Zealand maintains strict controls on overseas investment in farmland, forestry, and fisheries through several key mechanisms. The Benefit to New Zealand Test requires acquisitions to demonstrate clear domestic benefits, while the Investor Test screens for the suitability of potential buyers. The National Interest Test applies to sensitive or strategic assets, ensuring alignment with broader national priorities. Upcoming reforms, expected in late 2025, aim to consolidate these tests into a single framework, streamlining approvals while maintaining stricter oversight of farmland and forestry. Farmland purchases must first be advertised to local buyers, and forestry transactions continue to benefit from the Special Forestry Test pathway, with "standing consents" providing pre-approval flexibility for acquisitions of existing forests.

MARKET OPPORTUNITIES AND RISKS

New Zealand's rural land market is in a phase of cautious recovery, with interest rates easing and commodity returns strengthening. Corporate consolidation, environmental reform, and foreign investment rules are shaping transaction activity, while extreme weather remains a structural risk.

New Zealand's primary industries face a range of key risks that could impact investment and returns. Climate volatility, including floods, droughts, and longer-term weather shifts, poses direct threats to production, while tightening insurance markets are driving up costs in disaster-prone regions. Policy uncertainty remains a challenge, with evolving forestry restrictions, freshwater reforms, and emissions policies creating regulatory complexity. Currency movements add further risk, while a weak NZ dollar currently supports exports, any reversal could erode returns. On the global stage, U.S. tariffs, uncertain Chinese demand, and spikes in fertilizer costs weigh on competitiveness. Domestically, labor shortages continue to constrain horticulture and viticulture, while processing capacity in the red meat sector risks inefficiencies amid stock reductions.

PARAGUAY

MARKET SIZE AND STRUCTURE

Paraguay is one of South America's most important emerging agricultural and livestock producers, with agriculture and natural capital at the center of its economy. The country has 6.5 million people but produces food for 60 million, thanks to fertile soils, a favorable climate, and renewable hydro-based energy. Agriculture, livestock, and forestry contribute more than 11% of GDP and about 68% of total exports.

Soybeans (3.8 million hectares) and beef (14 million head) dominate, but corn (1.2 million hectares), rice, cotton, forestry, and niche crops like chia are increasingly relevant. Pasture land dominates the use of agricultural land at 72% of all agricultural land.

Paraguay exports $34.15 million worth of agricultural goods each year, with soybeans, livestock products, and other grains dominating its export volume. Paraguay's land tenure system is characterized by a mix of private ownership, indigenous communal lands, and public land, but with a historically high concentration of landholdings. Large commercial farms and agribusinesses control much of the country's most productive farmland, particularly in mechanized soybean and beef production, while a large number of smallholders and family farmers occupy relatively small plots. Indigenous land rights and peasant claims remain a significant governance issue, with recurring conflicts over displacement, titling, and access.

TABLE 16 **Regional Overview (Paraguay)**

Region/Zone	Characteristics & Environment	Main Agricultural Activities
Eastern (Paraneña)	Fertile soils, rolling plateaus, good rainfall	Mechanized soy, maize, wheat, sugarcane, dairy, cotton
Central/Northern Interior	Mixed small-medium farms, cooperative systems	Maize, rice, horticulture, dairy, mixed livestock
Southern Lowlands (Ñeembucú, Misiones)	Wetlands, seasonal flooding, irrigated areas	Rice paddies, cattle grazing, wetlands, agriculture
Western (Gran Chaco)	Semi-arid woodland and savanna	Extensive cattle ranching; frontier soy and pasture conversion, cotton, sorghum

VALUE TRENDS

Market Drivers: Commodity Prices, Input Costs, Interest Rates, and Subsidies

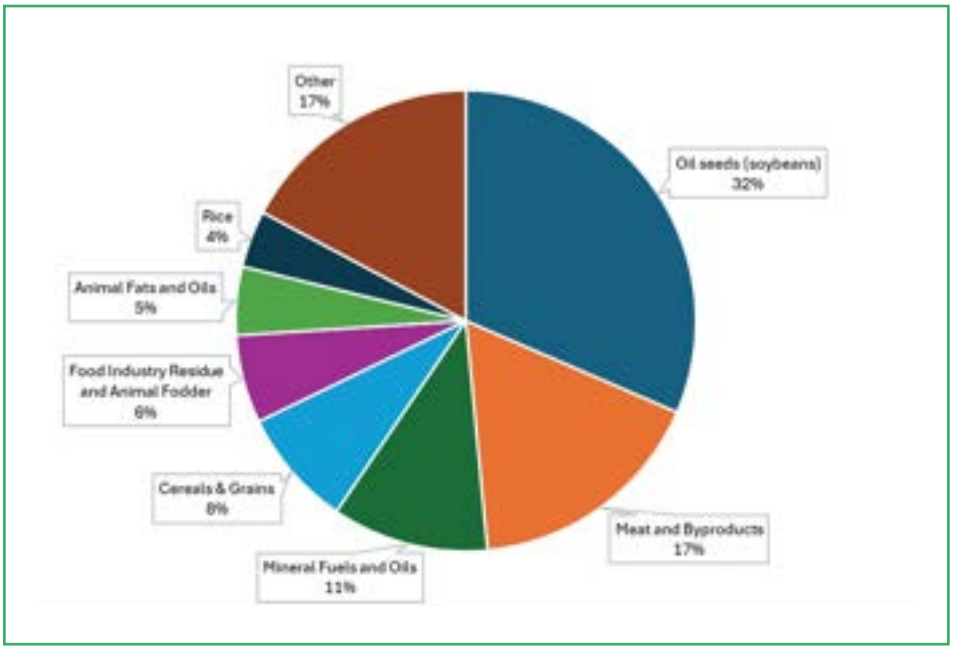
Land Values have increased substantially over the past 20 years (as in other markets) – typically a 3 to 5 fold increase and are still substantially undervalued compared with Argentina or Brazil. Soybeans and beef exports remain the backbone of Paraguay's value creation. Beef prices have surged in Paraguay in common with global markets over the past 12 months and with expanded access to the U.S. market, reaching approximately USD 5,755 per ton in 2025.

Ex farm beef values remain half of those in the US and EU. On the cost side, Paraguay benefits from competitive input prices, particularly fertilizers, energy, and feed and labour, underpinned by its 100% renewable, low-cost hydro energy. Credit conditions are also improving as the country has secured investment-grade ratings (Baa3 / BB+), with relatively stable interest rates (typically 7% for farm debt) encouraging capital inflows. While subsidies are limited compared to neighbors like Brazil, Paraguay offsets this with a favorable tax environment, featuring a 10% corporate and personal tax rate (no inheritance tax) and a 1% maquila regime rather than any direct support.

LAND LAWS, TAXATION, TARIFFS, AND KEY POLICY CONSIDERATIONS

Paraguay offers a highly attractive policy environment for investment, characterized by clear and open land ownership rules with no restrictions on foreign investors, providing security and certainty for property acquisition. The country's tax framework further enhances profitability, with low corporate and property taxes,

FIGURE 11 **Share of Agricultural Exports in Paraguay**

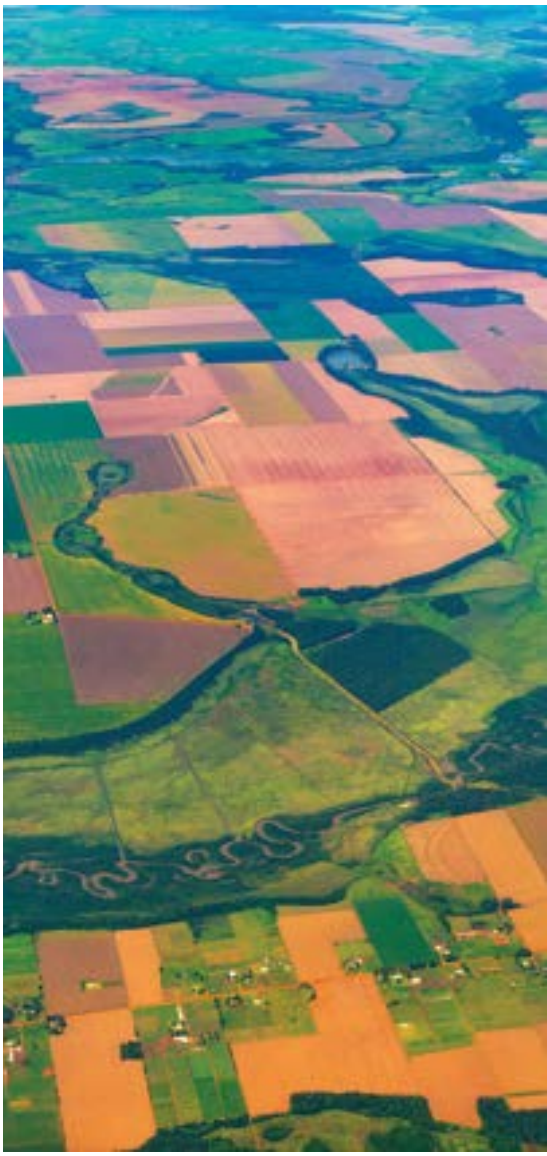


complemented by incentives such as the Maquila Law, which grants a 1% tax rate on qualifying investments. Trade opportunities are supported by Mercosur membership, though Paraguay remains sensitive to tariff changes in key export markets; recent measures, such as Brazil's beef tariff hike, have strengthened Paraguay's relative competitiveness. These policies have attracted substantial regional and global capital, driving growth in farmland acquisition, agribusiness operations, and forest-to-farm conversions, with corporate agribusiness, often with cross-border links, playing an increasingly prominent role in land ownership and production.

MARKET OPPORTUNITIES AND RISKS

Paraguay offers significant investment opportunities, beginning with undervalued land prices, particularly in the Chaco, where undeveloped farmland can cost as little as USD 300–500 per hectare, substantially lower than comparable markets in Brazil or Argentina. Export growth is another driver, with soy and beef shipments expanding rapidly, including new access to the U.S. beef market and strong global demand for soy. Investors can also capture higher margins through value-added processing, such as soy crushing, feed production, beef genetics, and certification for premium markets (e.g., halal or EU traceability). Infrastructure and logistics improvements, including the Bio-oceanic Highway (completion expected in 2026) and river and port upgrades, will reduce costs and broaden market access. Additionally, Paraguay's forestry and natural capital sectors—characterized by opportunity for large scale land re-forestation, fast timber cycles, silvo-pasture systems, and emerging carbon and deforestation-free markets are attracting international investment, while the country's 100% renewable hydroelectricity provides both low production costs and a sustainability advantage.

At the same time, investors face several risks. Environmental challenges include deforestation and biodiversity loss, particularly in the Gran Chaco, which carries reputational and regulatory implications. Climate variability and water shortages can reduce yields and disrupt river transport, creating export bottlenecks. Heavy reliance on soy and beef exposes producers to global commodity price volatility. Land tenure conflicts, including disputes with indigenous and peasant communities and weak enforcement of titles, can complicate acquisitions. Finally, infrastructure and logistics limitations, including dependence on river transport and vulnerability to drought, and poor roads, can increase costs and delay shipments.



CONCLUSION

Investors and operators in global farmland markets must navigate a complex landscape shaped by regional variations in ownership, policy, climate, and market dynamics. Strategic considerations include targeting high-quality, water-secure, and infrastructure-rich assets, leveraging operational efficiencies, and adopting climate-resilient and technologically advanced farming practices. In the United States, focus on core productive regions with strong yield fundamentals, combined with awareness of rising interest rates, input cost volatility, and evolving foreign ownership regulations, will be key for sustaining risk-adjusted returns. European investors face regulatory complexity under EU frameworks, but opportunities exist in the aggregation, export-oriented crop production, and investment in irrigation and climate adaptation technologies. In Australia and New Zealand, scale, water access, and ESG alignment remain critical, with corporate consolidation and foreign investment regulations shaping transaction activity. In Paraguay, undervalued land and a favorable Foreign Direct Investment policy creates attractive entry points, particularly in soy, beef, and forestry, though investors must carefully manage risks around land tenure disputes and environmental pressures.

Expected trends over the next year suggest continued selective investment activity. In the U.S., farmland demand is likely to remain strong for premium irrigated and high-yield parcels, supported by crop insurance and favorable policy frameworks. Europe is anticipated to experience moderate growth in land values, with differences across countries reflecting operational productivity gains and the regulatory environment . The UK faces disruption to the land market due to inheritance tax changes and withdrawal of area-based support which are likely to provide opportunities at lower entry values than have been the case in recent years. In Australia, interest rate stabilization and improving seasonal conditions are expected to spur activity in irrigated and high-quality properties, while New Zealand may see targeted acquisitions in dairy, horticulture, and forestry as regulatory clarity improves. Paraguay farm land remains under-valued relative to productivity and competing land markers and is positioned for

continued export growth, supported by competitive production costs, new market access (including U.S. beef exports), and infrastructure upgrades such as the Bio-Oceanic Highway. Across all regions, climate variability, labor constraints, and input cost pressures will continue to influence risk-adjusted returns.

Potential shifts in global farmland ownership patterns point toward increasing concentration among institutional and cash-rich investors. In the U.S. and Australia, family offices and private equity-backed entities are increasingly dominant, while Europe's consolidation trend favors well-capitalized operators and investors able to achieve scale. Foreign ownership is likely to remain tightly regulated in the U.S., New Zealand, and most parts of Europe, with policy interventions focusing on national food security, water access, and environmental objectives. These trends suggest that farmland will continue to evolve as a strategic, long-term asset class, with investment success increasingly dependent on selective, informed, and operationally focused approaches. By contrast, Paraguay maintains one of the region's most open frameworks for foreign ownership and low corporate tax structures, which, combined with undervalued land, has drawn significant cross-border capital into its agricultural and forestry sectors.

In conclusion, global farmland represents a resilient, strategically significant asset class, offering portfolio diversification, inflation protection, and potential for long-term value appreciation. While the risks of climate change, regulatory uncertainty, and market volatility are real, they can be mitigated through careful asset selection, regional expertise, operational excellence, and adherence to sustainability and ESG practices. Investors who balance strategic foresight with operational execution are likely to capture meaningful returns, while contributing to the sustainable development of global agricultural landscapes.

INTERNATIONAL AG ALLIANCE

ABOUT THE ALLIANCE

The International Ag Alliance (IAA) is a global coalition of premier agricultural land and business firms focused on collaboration, sharing market insights, and connecting investors with opportunities in top agricultural investment regions.

Founded by Brown&Co, LAWD, and Peoples Company, the IAA brings together agricultural professionals from across the globe to streamline international farmland investments and promote responsible land management through the combined expertise of its members.

A GLOBAL COLLABORATION

The IAA bridges international markets to help farming families, institutional investors, and agribusinesses succeed by navigating acquisition, management, appraisal, and expansion across borders. The IAA simplifies the complexities of global farmland transactions and management by enhancing collaboration and exchanging regional expertise.

HOW THE IAA WORKS

The IAA is member-owned, with one firm representing each eligible country. Eligible countries must have stable agricultural regions defined by political stability, economic resilience, favorable climate conditions, established infrastructure, and a sound regulatory environment.

This structure ensures diverse perspectives and local expertise while fostering trust and collaboration. Members contribute to annual market reports, host global agriculture forums, and provide investors with access to opportunities via the Alliance's platform.

IAA BENEFITS INCLUDE:

Knowledge Sharing: Members exchange critical insights and trends to navigate international markets.

Expert Guidance: Farming families, institutional investors, and agribusinesses access tailored opportunities in diverse ag regions backed by IAA expertise.

Sustainable Practices: Members share a vision of responsible and agricultural best practices and adhere to standards, like Leading Harvest or equivalent sustainability frameworks, that promote long-term environmental and economic goals.

Arotahi AGRIBUSINESS

NEW ZEALAND

We serve owners of agribusiness real estate located throughout Aotearoa New Zealand. Our Māori name means 'to focus on,' and our focus is on Agribusiness - providing transaction, valuation, and advisory services.

BROWN&CO

EUROPE

Brown&Co was formed in 1993 following a management buyout from Royal Life Estates. Since then the firm has grown substantially and today we are a leading provider of agency, professional, and consultancy services across the whole range of rural, commercial and residential property, agriculture and the environment.

LAWD

AUSTRALIA

LAWD is a tier-one firm in the Australian property market providing a full suite of professional real estate services including advisory, transactions and valuations, with specialist expertise in the development, land, and agribusiness sectors. Founded in 2020, our young and dynamic company was established by some of the most respected names in the industry and is powered by a cumulative expertise and on-the-ground experience that equates to centuries of knowledge and insight.

PEOPLES™ COMPANY
INTEGRATED LAND SOLUTIONS

UNITED STATES

A global perspective rooted in rural farming values and a relentless drive to innovate have made Peoples Company one of the nation's leading providers of land brokerage, land management, agricultural appraisal, energy management, crop insurance, capital markets, and corporate services. With a national footprint, the company serves all major agricultural markets as a full-service farmland transaction firm.

INTERNATIONAL AG ALLIANCE

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