



**Veripath Creates Global  
Allocation Model:  
Screening and Creating Global  
Farmland Portfolios Using  
Factor-Based Systems**

April 2026

## EXECUTIVE SUMMARY

Veripath Partners has developed a proprietary global farmland allocation model that screens jurisdictions across four continents using a multi-factor scoring system, productivity-adjusted pricing analysis, and scenario-driven portfolio construction. The model systematically identifies attractive farmland investment opportunities on a risk-adjusted basis while accounting for practical constraints including foreign ownership restrictions, market liquidity, and operational complexity.

The model evaluates each jurisdiction across more than 20 quantitative and qualitative variables – historical returns and volatility under multiple macroeconomic scenarios, inflation-hedging characteristics, market depth, productivity pricing relative to global averages, and governance risk factors. A weighted scoring matrix translates these inputs into portfolio allocation recommendations, which are then stress-tested through Monte Carlo simulation.

The current allocation universe spans 18 jurisdictions. The factor-based scoring system identifies markets for inclusion or exclusion based on their composite risk-adjusted profile, producing

### The Institutional Gap

Only 2% of U.S. farmland is institutionally owned in a \$3.3 trillion market. An estimated 300 million acres will change hands over the next 20 years as owner-operators retire.

portfolios that tilt toward jurisdictions with superior Sharpe ratios, lower downside frequency, and stronger inflation correlation characteristics relative to market-capitalization weights. Jurisdictions may be excluded where foreign ownership restrictions, structural barriers to institutional investment, or lack of strategic fit make deployment impractical.

The productivity pricing framework is a distinguishing feature of the model. By benchmarking each jurisdiction against a target productivity-adjusted price per tonne of output capacity, the model generates a convergence alpha that rewards investment in markets where land is cheap relative to what it produces. This alpha is additive to the benchmark return and persists over a 20-year convergence horizon, contributing meaningfully to annual excess return across scenario configurations.

## MODEL ARCHITECTURE AND DESIGN PHILOSOPHY

The model is structured as an integrated system comprising raw market data through factor-based scoring to fund-level financial projections. The architecture reflects a deliberate design philosophy: separate observable market inputs from subjective portfolio construction decisions, and allow every assumption to be transparently traced and stress-tested.

The model operates on a multi-stage workflow.



First, the user selects a macroeconomic scenario (stagflation, inflation, stable, deflation, or custom) which sets the historical date range from which all return, volatility and inflation metrics by jurisdiction are drawn. Second, the market Inputs matrix



**Stephen Johnston**

Director

sjohnston@omnigenceam.com



**Carmon Blacklock**

Director

cblacklock@omnigenceam.com



**Barclay Laughland**

Director

blaughland@omnigenceam.com



populates with scenario-specific data for all jurisdictions. Third, the portfolio model applies a multi-factor scoring system to weight jurisdictions and construct the target portfolio. Fourth, the fund model projects 20-plus years of cash flows including capital calls, land appreciation, rental income, leverage, fees, and redemptions. Fifth, the Monte Carlo simulation produces the final performance metrics and distributional analysis.

Farmland return distributions are non-stationary – the statistical properties of returns during stagflation or inflation do not resemble those during deflationary credit contractions – though outperformance is consistent. A single long-run average obscures the regime-variance that makes farmland attractive to institutional allocators in the first place. The model addresses this by anchoring each scenario to a defined historical period rather than using synthetic assumptions or forward-looking estimates. This design choice forces internal consistency: when the user selects a stagflation scenario, every parameter in the model – returns, volatility, correlation structure, borrowing costs, inflation pass-through – is drawn from a period when stagflation occurred. The alternative – manually constructing a “what if inflation reaches 8%” scenario by adjusting individual inputs – introduces hidden inconsistencies, because the analyst must guess how volatility, correlations, and

**Row Crop’s Downside Record**  
NCREIF U.S. row crop values have never posted a year-over-year loss since tracking began in 1992 — a 33-year streak of capital preservation unmatched by any other major real asset class.

borrowing costs co-move with inflation. Historical windows eliminate this guesswork by preserving the observed covariance structure of each regime intact.

The scenario framework is anchored to historical periods that correspond to distinct macroeconomic regimes. The Stagflation scenario draws from 1972 to 1981, capturing the oil shocks, Bretton Woods collapse, and double-digit inflation that produced the highest farmland returns on record. The Inflation scenario uses 2000 to 2024,

encompassing the post-dot-com recovery, the 2008 financial crisis, the post-COVID commodity boom, and the 2021 to 2023 inflation spike. The Stable scenario spans 1990 to 2024, the broadest and most conservative baseline. The Deflation scenario isolates 1980 to 1990, the period of peak interest rates, agricultural debt crisis, and sustained farmland price declines across North America. The Custom scenario allows the user to define any date range, with the current default set to the full 1972 to 2024 period.

Each scenario cascades through the entire model. Return assumptions, volatility parameters, Sharpe ratios, inflation correlations, covariance matrices, borrowing rates, and Monte Carlo distribution parameters all update dynamically when the scenario switch changes. This ensures internal consistency: a stagflation scenario does not inadvertently pair high appreciation assumptions with low borrowing costs.

## THE ALLOCATION UNIVERSE

The model evaluates farmland across jurisdictions spanning four continents. The universe was selected to provide comprehensive coverage of the world’s institutional-grade row crop farmland markets while excluding regions where foreign ownership is constitutionally prohibited (most of Asia), where market structure is fundamentally incompatible with institutional investment (Central America, Bolivia, Peru), or where total arable acreage is too small to warrant analysis.

The universe encompasses approximately 626 million acres of row crop farmland with a combined market capitalization exceeding US\$3 trillion. Market sizes range from British Columbia (0.6 million acres, US\$23 billion) to Brazil (96 million acres, US\$765 billion). This heterogeneity is a feature, not a limitation: it allows the model to identify pockets of value in small, overlooked markets that large-scale competitors cannot access.

Mean-variance optimization is the standard institutional tool for portfolio construction, but it fails in farmland for three structural reasons. First, farmland return series are short (30–50 years), which means the covariance matrix inputs are estimated with

### The Water Squeeze

FAO estimates that 1.8 billion people now live in countries facing absolute water scarcity. Agriculture accounts for nearly three-quarters of all freshwater withdrawals globally — making water access the single most important variable in long-run farmland valuation.

### Irrigated Land Punches Above Its Weight

Just 20% of the world’s arable land is irrigated, yet that 20% produces 40% of global food output. Access to reliable water transforms land economics — and is increasingly priced into farmland markets.

wider confidence intervals – and optimizers are notoriously sensitive to small perturbations in covariance estimates. Second, farmland markets are illiquid and lumpy, so the precise allocations an optimizer recommends cannot be implemented with the same precision as in public equities. Third, and most importantly, optimization treats all risks as symmetric – it penalizes

**Farmland vs. Equities - Volatility Mismatch**  
NCREIF Farmland annualized volatility: 6.82%. S&P 500: 17.59%. Public REITs: 18.77%. Farmland's lower volatility means even moderate nominal returns produce institutional-grade Sharpe ratios.

upside volatility identically to downside volatility, which misrepresents farmland's return profile where upside is driven by commodity booms and downside is concentrated in rare credit-cycle events.

The factor-based scoring matrix addresses all three problems. It accommodates estimation uncertainty by using threshold bands rather than point estimates – a jurisdiction with a Sharpe ratio of 0.85 and one with 0.90 receive the same score, avoiding false precision. It produces portfolio weights that are directionally robust and implement-

able at institutional scale without requiring continuous rebalancing. And its deliberately asymmetric penalty structure – where downside factors carry two to three times the weight of upside factors – reflects the actual risk preferences of evergreen fund investors, for whom capital preservation in adverse years matters more than marginal return optimization in good ones.

## THE FACTOR-BASED SCORING SYSTEM

The Portfolio Model engine implements a multi-factor scoring matrix that evaluates each jurisdiction across 13 quantitative factors. Each factor is assigned a weight (ranging from -15 to +10 points) and jurisdictions receive scores based on which threshold band they fall into. The scoring system is designed to reward markets that combine strong risk-adjusted returns with practical investability, while penalizing markets with governance, liquidity, or structural risks.

The scoring system is deliberately asymmetric. Positive factors (Sharpe ratio, inflation correlation, market depth) contribute modestly, with maximum scores of 6 to 10 points per factor. Negative factors (water risk, title risk, excessive down years) impose severe penalties of -3 to -15 points. This asymmetry reflects a core investment philosophy: in farmland, avoiding catastrophic losses matters more than optimizing marginal gains. A jurisdiction with excellent returns but serious water depletion risk (for example, western Texas drawing on the Ogallala Aquifer) will score poorly despite attractive headline numbers.

### The 2008 Stress Test

During the Global Financial Crisis, the S&P 500 fell approximately 37%. In the same year, the NCREIF Farmland Index posted positive returns — one of the clearest demonstrations of farmland's non-correlated return profile under market stress.

The down years factor carries the heaviest penalty at -15 points for jurisdictions with more than three negative years out of the last 25. This is the single largest swing factor in the matrix and explains why Argentina (nine down years) and New Zealand (seven down years) receive low scores despite other attractive characteristics. The rationale is that institutional investors in evergreen farmland funds cannot tolerate frequent mark-to-market declines, even if the long-run compound return is competitive.

## SCORING RESULTS AND PORTFOLIO CONSTRUCTION

The factor-based scoring system produces raw scores for each jurisdiction that reflect their overall attractiveness across all 13 factors under the selected scenario. These raw scores are then combined.

Alberta receives the highest raw score driven by its exceptional combination of zero down years in the last 25, strong Sharpe

**The 30-Year Track Record**  
The NCREIF Farmland Index has averaged 10.15% annual returns since 1992, with positive total returns in 28 of 30 calendar years.

ratios across all scenarios, robust 1970s inflation correlation, and active consolidation dynamics. Ontario scores nearly as high, benefiting from Canada's highest wheat yields, strong rental markets, and the persistent urban encroachment premium from Greater Toronto Area expansion. However, Ontario's high land price means its dollar-weighted allocation is far below what raw scores alone would suggest, because the model adjusts for investable acreage.

Uruguay and Paraguay demonstrate the value of the factor-based approach. Despite being small markets by global standards, both score well on risk-adjusted returns, inflation correlation, open foreign ownership regimes, and favourable productivity

pricing. Uruguay's Sharpe ratio in the Custom period understates its attractiveness; under the Stagflation scenario, Uruguay achieves the highest Sharpe in the entire matrix, confirming its exceptional inflation-hedging properties.

**Canada Outpaces North America**  
Canadian farmland values rose over 7% in 2024 — the highest in North America — supported by sustained pension fund demand and tightening supply.

The six excluded jurisdictions illustrate the scoring system's penalty mechanisms. Nebraska and North Dakota are excluded despite attractive fundamentals because their foreign ownership restrictions make institutional investment structurally impractical. Argentina's nine down years out of 25 trigger the maximum penalty, overwhelming its world-class soil quality and competitive productivity pricing. Brazil's 25% municipal ownership cap and complex INCRA approval

process earn governance penalties. Chile is excluded on strategic fit grounds (only 30% field crops, dominated by permanent crop horticulture). New Zealand's seven down years and OIO consent requirements combine to eliminate it despite achieving the matrix's highest wheat yield.

## BENCHMARKING JURISDICTION-LEVEL AND THE UNWEIGHTED PORTFOLIO RETURNS

One of the model's foundational outputs is a jurisdiction-level benchmark return for each of the markets in the allocation universe. This is not a forecast – it is a historically observed compound annual return & volatility, drawn from the selected macroeconomic scenario's date range, that establishes what an investor would have earned by holding farmland in that jurisdiction over the relevant period. The benchmark return for each jurisdiction captures land appreciation only, excluding rental income, leverage effects, and fee drag, isolating the pure capital return of the underlying real asset.

The model computes these jurisdiction-level benchmarks dynamically. When the scenario switch changes from Stable to Stagflation, every jurisdiction's benchmark return updates to reflect the historical return profile observed during that regime.

This regime-specificity is essential because jurisdiction-level return differentials are not stable across macroeconomic environments – markets that outperform during inflationary periods do not necessarily outperform during deflationary ones, and a benchmark framework that ignores this would produce misleading relative value signals.

**Freshwater Per Capita: Down 20% in Two Decades**  
Global freshwater resources per person have declined 20% in the past twenty years. Agriculture accounts for nearly 75% of all freshwater withdrawals. In farmland markets, water rights are rapidly becoming as valuable as the land itself.

The unweighted portfolio benchmark aggregates these jurisdiction-level returns into a single composite that represents the return available from an undifferentiated exposure. This is a deliberate analytical choice. An unweighted benchmark serves as the model's null hypothesis – the return an investor would earn with no views, no factor tilts, and no concentration decisions. It answers the question: what does global farmland deliver if you simply show up and diversify?

This null-hypothesis benchmark performs two critical functions in the model's architecture. First, it provides the baseline against which the factor-based scoring system's value-add is measured. The difference between the unweighted portfolio return and the factor-weighted portfolio return isolates the contribution of the scoring matrix – the alpha generated by tilting toward higher-scoring jurisdictions and away from lower-scoring ones. If the scoring system is well-calibrated, the factor-weighted portfolio should consistently outperform the unweighted benchmark on a risk-adjusted basis across scenarios. If it does not, the factor weights need recalibration. The unweighted benchmark makes this test transparent and repeatable.

**Uruguay A Decade of Transformation**  
Uruguayan farmland prices have increased tenfold since 2002, reaching a record \$3,967/hectare in 2024. Transaction volumes surged 58% year-over-year.

Second, the unweighted benchmark provides the denominator for the productivity pricing alpha calculation. The convergence mechanism – the excess return earned by purchasing land below the global average

cost per tonne of wheat capacity – is expressed as an annual increment above the benchmark portfolio return. Without a cleanly constructed benchmark, the productivity alpha cannot be isolated from the underlying market return, and the investor cannot distinguish between returns earned from being in farmland generally and returns earned from being in cheap farmland specifically. The unweighted benchmark makes this decomposition possible. The benchmarking engine allows the investment committee to see precisely where the scoring system's tilts add or subtract value relative to passive alternatives, and to assess

whether the active allocation decisions embedded in the factor weights are justified by the resulting improvement in risk-adjusted returns.

#### The Supply Squeeze

The U.S. loses roughly 2,000 acres of farmland daily to development. Globally, the FAO estimates 1.7 billion people now live in areas with declining crop yields from land degradation.

The benchmarking framework thus serves as the model's internal accountability mechanism. Every portfolio construction decision – every factor weight, every inclusion or exclusion, every productivity pricing assumption – can be evaluated against a transparent, scenario-specific baseline that requires no subjective inputs. The investor can always ask: would I have been better off with no views at all? The model is designed to make that question easy to answer.

## PRODUCTIVITY PRICING ALPHA

The productivity pricing framework is the mechanism for capturing the excess return available from purchasing farmland below the global average cost per unit of productive output. The core metric is the price per tonne of annual wheat capacity: the cost of acquiring one tonne of recurring wheat production, calculated as land price per acre divided by wheat yield in tonnes per acre.

The choice of wheat capacity equivalent as the normalizing metric is deliberate. Wheat functions as the common denominator of global farmland productivity in the same way that earnings per share allows comparison across equities regardless of sector, geography, or capital structure. Every jurisdiction in the model's universe can produce wheat or a wheat-equivalent cereal, making it the one crop that permits apples-to-apples comparison across tropical, temperate, and semi-arid growing regions. Alternative normalizers – revenue per acre, caloric output, or gross margin – introduce distortions from local commodity pricing, subsidy regimes, currency effects, and crop mix variability that obscure the underlying productive capacity of the land itself. Price per tonne of wheat capacity strips these away, isolating what an investor is actually paying for: the soil's ability to convert sunlight and water into a standardized unit of agricultural output. The result is a farmland equivalent of a price-to-earnings ratio – a single metric that makes a hectare in Paraguay directly comparable to a hectare in Alberta, revealing where the market is pricing productive capacity cheaply relative to the global mean. Critically, productivity price discounts are strongly mean-reverting. Markets that trade at a deep discount to the global average cost per tonne do not stay cheap indefinitely, prices converge toward the global mean. The model captures this convergence as alpha: the wider the initial discount, the greater the embedded return as the gap closes over the investment horizon.

#### The Generational Transfer

An estimated 300 million acres of U.S. farmland will change hands over the next two decades as owner-operators retire. The average American farmer is now over 58 years old. This succession wave represents the largest intergenerational transfer of agricultural assets in history.

The model's portfolio productivity price is set to a target maximum, reflecting a deliberate strategy of overweighting capital allocations to land that is cheap relative to what it produces. The difference between these two prices creates a convergence opportunity: as market prices gradually reflect underlying productive value, the portfolio earns consistent alpha above the benchmark appreciation rate.

#### Inflation Correlation - Not Just Theory

Since 1970, U.S. farmland has returned roughly 6.5 percentage points above CPI annually. Rolling five-year NCREIF-to-inflation correlation has been overwhelmingly positive since 1991.

The productivity pricing alpha varies by scenario because the benchmark portfolio return (the denominator in the convergence calculation) changes. Under Stagflation, the alpha is estimated at ~2.5% as higher absolute returns accelerate the convergence process. Under Deflation, the alpha compresses slightly to ~2.2% because benchmark returns are negative, slowing convergence. The alpha is modelled over a 20-year convergence horizon, declining gradually as the portfolio's productivity-adjusted price approaches the market average.

This framework creates a natural bias toward markets that are on average less expensive per unit of output rather than inexpensive in absolute terms. Mexico and Paraguay have some of the larger productivity discounts despite very different absolute price levels. Conversely, Ontario and British Columbia trade at substantial premiums to the target, reflecting non-agricultural

demand (urban encroachment, lifestyle purchases, regulatory supply constraint) that inflates prices beyond productive value. The model captures this through the scoring matrix rather than penalizing these markets in the productivity calculation.

## SCENARIO ANALYSIS AND STRESS TESTING

The model produces markedly different portfolio outcomes across macroeconomic scenarios, confirming the importance of scenario-aware portfolio construction for farmland investments.

### The 70% Production Gap

The FAO estimates global food production must increase 60–70% by 2050 to feed 9.7 billion people. Crop calorie output must rise 47% from 2011 levels under medium population growth.

The Stagflation scenario produces the strongest absolute returns and the highest Sharpe ratio, confirming the portfolio's design as an inflation-hedging vehicle. Farmland's capacity to generate double-digit real returns during periods of high inflation and low economic growth is the asset class's primary institutional value proposition, and the model's factor-based scoring is calibrated to maximize this characteristic.

The Deflation scenario is the only configuration producing negative benchmark returns. This period (1980 to 1990) corresponds to the

North American agricultural debt crisis, when aggressive expansion during the 1970s boom was followed by sharply rising real interest rates and collapsing commodity prices. The model does not attempt to avoid deflation losses, as farmland is a long-duration real asset that inherently underperforms during deflationary contractions. Instead, the productivity pricing alpha offsets the benchmark decline, demonstrating the value of the convergence mechanism as a return floor.

## MONTE CARLO SIMULATION AND RISK ANALYSIS

The model includes a Monte Carlo simulation engine that runs stochastic trials through the complete 25-year forecast period including all cash flow interactions, fee waterfalls, and leverage dynamics.

Monte Carlo simulation serves a specific function in farmland portfolio analysis that traditional mean-variance optimization cannot replicate. Where standard return assumptions produce a single expected outcome, Monte Carlo methods generate a distribution of thousands of possible portfolio paths by repeatedly sampling from the scenario's return and volatility parameters, incorporating the full covariance structure across jurisdictions. This matters for farmland because the asset class exhibits non-normal return characteristics – fat tails during agricultural commodity booms, serial correlation in land appreciation cycles, and asymmetric downside behaviour during credit contractions – that simple point estimates systematically understate.

### The \$9 Trillion Asset Nobody Owns

Global farmland is valued at approximately \$9 trillion, yet institutional investors hold barely 2% of the U.S. market alone. By comparison, institutional ownership of commercial real estate exceeds 30%. Farmland remains the world's largest under-allocated real asset class.

The practical value for allocators is the ability to stress-test portfolio construction decisions against the full range of plausible outcomes rather than a single base case. A portfolio that appears attractive on expected return alone may reveal unacceptable drawdown risk at the 5th percentile of simulated outcomes, or conversely, a more conservative allocation may demonstrate superior risk-adjusted compounding once the volatility drag on geometric returns is properly captured. For illiquid real

asset portfolios where rebalancing is constrained and redemption windows are limited, understanding the distribution of terminal outcomes – not just the mean – is essential to prudent capital commitment sizing and liquidity planning.

### Paraguay

Investment-Grade Frontier Paraguay achieved Investment Grade credit status in July 2024. Agriculture drives 20% of GDP and 75% of exports, with farmland production capacity estimated to triple from current levels.

The model's dual-engine approach reflects this philosophy. The formula-based approximation provides rapid scenario iteration during portfolio construction, allowing the investment committee to screen allocation alternatives efficiently. The full RiskAMP simulation

provides institutional-grade distribution analysis for final allocation decisions and investor reporting, generating confidence intervals and percentile-based risk metrics that meet the documentation standards expected by pension funds, endowments, and sovereign allocators.

## COVARIANCE STRUCTURE AND DIVERSIFICATION BENEFITS

The Co-Variance engine computes full correlation and covariance matrices for all modelled jurisdictions under each scenario. The correlation structure reveals important diversification opportunities that the factor-based scoring system exploits. This is important, as a portfolio model that treats each jurisdiction's return as independent would systematically overstate the

### Five Straight Years

U.S. cropland values hit a record US\$5,830 per acre in 2025 — the fifth consecutive annual increase. Farm real estate now accounts for US\$3.67 trillion, or 83.6% of total U.S. farm sector assets.

diversification benefit of adding new markets. In reality, farmland returns are driven by shared global factors – commodity prices, fertilizer costs, interest rates, currency movements – that create meaningful cross-jurisdiction correlations. Ignoring these correlations produces portfolios that appear well-diversified on paper but may concentrate risk in common factor exposures.

By recomputing the matrix for each scenario, the model ensures that portfolio construction decisions account for the correlation structure

that will prevail under the conditions being tested, rather than relying on a long-run average that may not hold when it matters most.

Within North America, the Canadian provinces (Alberta, Ontario, British Columbia) exhibit moderate internal correlations, driven by shared commodity exposure but differentiated by local market dynamics. The US Corn Belt states (Iowa, Illinois, Nebraska) are highly correlated, reflecting nearly identical crop mixes and commodity price sensitivity. Cross-border correlations between Canadian and US markets are lower, providing meaningful diversification within the North American allocation.

The most valuable diversification comes from the Latin American and Oceania allocations. Uruguay's correlation with US Corn Belt markets is moderate, and its correlation with Canadian markets is even lower.

Paraguay shows similarly low correlations with North American markets. Australia's correlation with North American jurisdictions is moderate to high, driven by shared wheat market exposure but differentiated by hemisphere-opposite growing seasons, AUD/USD currency effects, and domestic rainfall-driven volatility. The Czech Republic provides European diversification with correlations to North American markets.

### Central Europe - The Emerging Allocation

Central European farmland values rose 10% in 2024, led by Poland. With EU accession driving institutional frameworks and land prices still a fraction of Western European levels, the region is attracting first-mover institutional capital.

### The Shrinking Denominator

Global per capita arable land has fallen from 0.42 hectares in 1960 to 0.19 hectares today — a 55% decline. The FAO reports cropland per person dropped a further 20% between 2001 and 2023 alone. Farmland cannot be manufactured.

The model uses these correlation structures to construct the portfolio benchmark, computing both market-capitalization-weighted and matrix-adjusted-acre-weighted returns. The matrix-adjusted methodology applies the factor scores as tilts to the raw acreage weights, producing a portfolio that is structurally overweight high-scoring jurisdictions relative to their market size. This creates a portfolio that is less

correlated internally than a simple market-cap-weighted approach, improving the Sharpe ratio through genuine diversification rather than concentration in the largest markets.

## FOREIGN OWNERSHIP AND REGULATORY CONSIDERATIONS

The model's treatment of foreign ownership restrictions is a critical differentiator. Each jurisdiction is classified into one of five categories: Open (no restrictions), Conditional (approval required above thresholds), Limited (structural restrictions that can be navigated), Restricted (practical barriers to institutional investment), and Prohibited (constitutional ban, not included in the universe).

Of the 12 jurisdictions included in the portfolio, seven are fully open to foreign investment (Alberta, Ontario, British Columbia, Iowa, Illinois, Texas, Kansas). Uruguay and Paraguay are open with no restrictions. The Czech Republic is open to EU/EEA citizens and

### 673 Million Still Hungry

The FAO estimates 673 million people experienced hunger in 2024, even before the global population reaches its projected 9.7 billion by 2050. Agricultural output must rise 50% from 2012 levels to close the gap.

#### Near Zero Equity Correlation

The NCREIF Farmland Index has exhibited a correlation of -0.11 with the S&P 500 over three decades. Farmland's return drivers — crop yields, commodity prices, weather — are structurally distinct from equity markets.

accessible to non-EU investors through Czech corporate structures. Mexico requires fideicomiso trust arrangements for restricted-zone acquisitions but is navigable for institutional capital. Australia requires Foreign Investment Review Board approval above A\$15 million cumulative, which is a manageable process for institutional investors.

The model flags but does not automatically exclude conditionally restricted markets, recognizing that institutional investors can often structure around moderate restrictions. However, markets with fun-

damental barriers to institutional-scale deployment (Nebraska's outright prohibition on non-resident alien ownership, New Zealand's benefit-to-country OIO test, Argentina's frozen Ley de Tierras restrictions) are excluded from the portfolio.

## CONCLUSION

The Veripath Global Portfolio Model represents a systematic, transparent, and repeatable framework for screening and allocating capital across the world's institutional-grade farmland markets. By combining quantitative factor scoring with productivity-adjusted pricing analysis and scenario-driven stress testing, the model addresses the fundamental challenge facing farmland investors: how to evaluate and compare fundamentally different markets on a consistent, risk-adjusted basis.

The factor-based approach produces portfolios that are demonstrably superior to naive market-cap-weighted alternatives. The scoring system's asymmetric penalty structure ensures that governance, liquidity, and structural risks are weighted appropriately, while the productivity pricing alpha generates a persistent return premium from acquiring land below the global average cost per unit of output. The Monte Carlo simulation framework provides distributional confidence around expected outcomes, enabling institutional investors to assess the probability-weighted range of returns rather than relying on single-point estimates.

The model is designed to evolve. As new jurisdictions develop institutional-grade market infrastructure, they can be added to the universe. As macroeconomic conditions change, the scenario framework can be recalibrated. As Veripath's operating experience in target markets deepens, the factor weights can be refined to reflect observed rather than estimated relationships. The architecture supports this evolution without requiring structural redesign, ensuring that the analytical framework keeps pace with the investment opportunity set.

#### The Sovereign Calorie Trade

Nations that are net food importers now account for over 50% of the world's population. Gulf states, Singapore, Japan, South Korea, and China are all actively acquiring offshore farmland or securing long-term supply agreements. For sovereign allocators, farmland is not just a financial asset — it is a national security position.

For institutional investors and family offices seeking exposure to global farmland as an inflation-hedging, real-return-generating asset class, the model provides the analytical foundation for disciplined, evidence-based allocation decisions.



**Toronto Office:**

TD Canada Trust Tower, 161 Bay St.  
27th Floor, P.O. Box 508  
Toronto, ON, M5J 2S1

**Calgary Office:**

Suite 300, 4954 Richard Road SW  
Calgary, AB, T3E 6L1

**Montréal Office:**

3 Place Ville Marie, Suite 3190  
Montréal, QC H3B 2E3  
[www.omnigenceam.com](http://www.omnigenceam.com)

## **DISCLAIMER**

Our reports, including this paper, express our opinions which have been based, in part, upon generally available public information and research as well as upon inferences and deductions made through our due diligence, research and analytical process. The information contained in this paper includes information from, or data derived from, public third-party sources including industry publications, reports and research papers. Although this third-party information and data is believed to be reliable, neither Omnigence Asset Management nor its agents (collectively "Omnigence") have independently verified the accuracy, currency or completeness of any of the information and data contained in this paper which is derived from such third party sources and, therefore, there is no assurance or guarantee as to the accuracy or completeness of such included information and data. Omnigence and its agents hereby disclaim any liability whatsoever in respect of any third-party information or data, and the results derived from our utilization of that data in our analysis. While we have a good-faith belief in the accuracy of what we write, all such information is presented "as is," without warranty of any kind, whether express or implied. The use made of the information and conclusions set forth in this paper is solely at the risk of the user of this information. This paper is intended only as general information presented for the convenience of the reader and should not in any way be construed as investment or other advice whatsoever. Omnigence is not registered as an investment dealer or advisor in any jurisdiction and this report does not represent investment advice of any kind. The reader should seek the advice of relevant professionals (including a registered investment professional) before making any investment decisions. The opinions and views expressed in this paper are subject to change or modification without notice, and Omnigence does not undertake to update or supplement this or any other of its reports or papers as a result of a change in opinion stated herein or otherwise.