



Veripath Q1 2023 Newsletter


INTRODUCTION

We believe the macro climate continues to be favorable for Canadian farmland – real rates are negative, economic conditions are leaning towards stagflation (granted CPI has dropped materially from its 2022 peak) and the Ukraine war has disrupted agricultural production. The farmland portfolios constructed by the Veripath R and UR funds, with their emphasis on capturing productivity adjusted pricing discounts, positive yield trends and low overall yield volatility generated another quarter of strong performance (without the use of material leverage – see factsheet attached). The funds continue to add acres and to build out to the portfolio construction targets province by province – deal flow is under consideration in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario currently.


On a more high-level, we thought it would be interesting to continue to highlight the large number of commonly held, but generally incorrect, beliefs surrounding the agriculture sector. Just a cursory glance at media over the last 12 months would lead a layperson to believe farming is a low tech, unproductive, inefficient, environmentally destructive, unnecessary, climate imperilled and unnecessary activity... however nothing could be further from the truth. Here is a sample:

- Canadian farming will be negatively impacted by global warming
- Cutting fertilizer use will not impact production
- Canadian farmers “over-apply” fertilizer
- Farming is low-tech
- Food demand growth is slowing
- Biofuel mandates don’t affect food prices
- Large scale farmers damage the land
- Ruminants are environmentally unfriendly and an unnecessary part of the food system.
- Sanctions on Russian agriculture products are consequence free
- Farming is inefficient with low productivity growth




Stephen Johnston
Director – Veripath
sjohnston@veripathpartners.com 



Barclay Laughland
Director – Veripath
blaughland@veripathpartners.com 



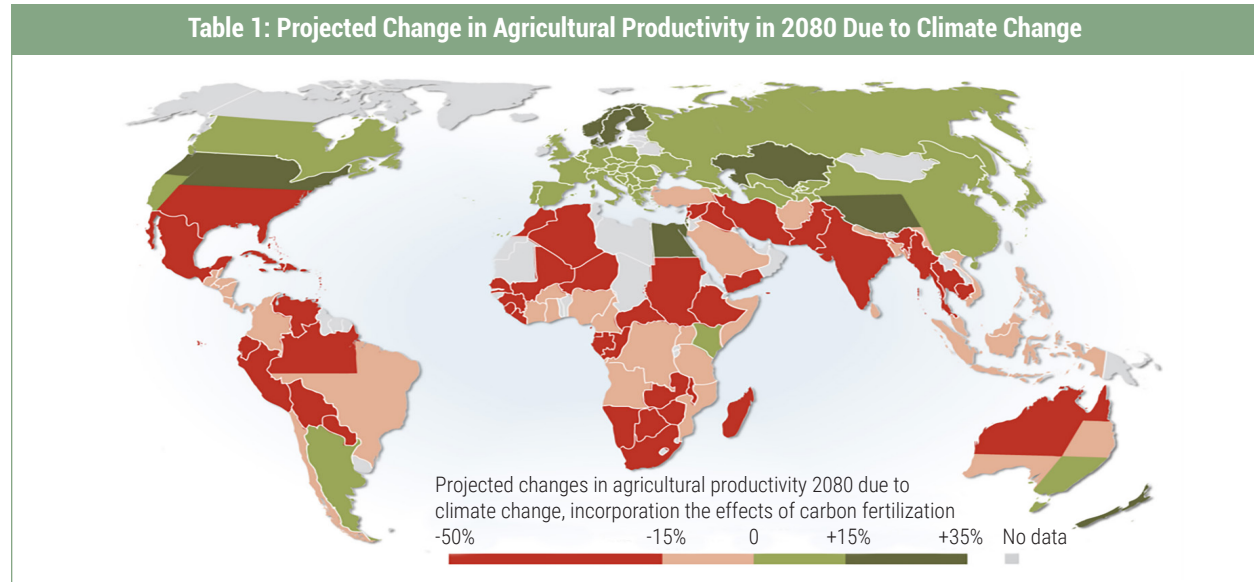
Carmon Blacklock
VP – Veripath
cblacklock@veripathpartners.com 

“Under democracy one party always devotes its chief energies to trying to prove that the other party is unfit to rule—and both commonly succeed and are right.”
– H. L. Mencken



CANADIAN FARM PRODUCTIVITY WILL BE POSITIVELY IMPACTED BY GLOBAL WARMING

Canada is forecast to experience increased agricultural productivity from global warming while at the same time there will be a decrease in competing mid-latitude regions as can be seen from the heatmap below:



Source: Hugo Ahlenius, UNEP/GRID-Arendal, Cline, W.R. 2007. *Global Warming and Agriculture: Impact Estimates by Country*. Washington D.C., USA: Peterson Institute

Why is this forecast to take place?

- **Longer Growing Seasons:** Global warming is expected to result in longer summers, allowing farmers to plant crops earlier and harvest them later. This extended growing season also creates opportunities to introduce new crops that were previously unsuitable for the region. For instance, heat-loving crops such as corn, soybeans, and cotton could potentially be cultivated in Canada's northern regions, replacing traditional crops like wheat and barley. *"As growing seasons lengthen in response to climate change, Canadian farmers are exploring new crop options, like corn and soybeans, that were previously limited by shorter seasons and cooler temperatures."* – Dr. Dean Spaner, Professor in the Department of Agricultural, Food, and Nutritional Science at the University of Alberta.
- **Higher Temperatures:** Warmer temperatures can promote crop growth rates, enhance seed germination, and increase photosynthesis, ultimately leading to higher crop yields. Additionally, warmer temperatures may reduce the risk of frost damage. Consequently, farmers could potentially save on expensive frost protection measures, such as heaters or crop covers, resulting in lower production costs.
- **Increased Precipitation:** A sufficient water supply is essential for crop growth. The projected increase in rainfall due to climate change could lead to higher yields and more consistent output in Canadian agriculture. *"Climate change projections indicate that some regions in Canada may experience increased precipitation, which can help meet the water demands of agriculture and contribute to higher crop yields."* – Dr. Howard Wheatler, Canada Excellence Research Chair in Water Security at the University of Saskatchewan.
- **Increased Carbon Dioxide:** Increased levels of carbon dioxide in the atmosphere have a fertilization effect on crops, potentially improving crop yields in northern latitudes. *"The elevated CO2 levels in the atmosphere can provide a fertilization effect that enhances crop productivity, particularly in regions where other environmental factors, such as temperature and precipitation, are also becoming more favorable for agriculture."* – Dr. Elizabeth Ainsworth, Plant Biologist at the USDA-ARS and the University of Illinois.

AMMONIA BASED FERTILIZER HAS NO CURRENT REPLACEMENT

Nitrogen fertilizer is not an optional component of the global food production system. *“With average crop yields remaining at the 1900 level (ie without the use of the Haber process to produce nitrogen fertilizer – addition mine) the crop harvest in year 2000 would have required nearly 4 times more land and the cultivated area would have claimed nearly half of all ice-free continents, rather than under 15% of total land area that is required today”* - Vaclav Smil. Nearly 50% of the nitrogen currently found in human beings originated from the Haber process and it enabled the global population to increase from 1.6 billion in 1900 to approximately 8 billion today. There is NO known process with the efficiency and scale to replace the ammonia-based fertilizers produced by the Haber-Bosch process so it must continue to be the primary source of nitrogen for agriculture.

It then follows almost axiomatically that current plans to arbitrarily reduce nitrogen/ammonia-based fertilizer use by 30% by 2030 would lower crop yields and have a significant impact on the availability and affordability of food for consumers. For example, analysis by the International Maize and Wheat Improvement Center (CIMMYT) found that a 30% reduction in nitrogen fertilizer use in wheat production in South Asia could lead to a 13% reduction in yield.

Moreover, reducing ammonia-based fertilizer use will also lead to a decrease in soil fertility, which will have long-term negative effects on agricultural productivity. If nitrogen is not replaced, the soil will become less able to support plant growth, leading to reductions in crop yields. It could also lead to the need to expand the amount of land in agricultural use potentially by converting timber or pastureland.

Despite claims to the contrary, there is no substitute for ammonia-based fertilizer at the scale of the Haber-Bosch process that can match its effectiveness in increasing crop yields. Alternative methods of fertilization, such as organic fertilizers, have serious limitations in terms of their availability and effectiveness in comparison to ammonia-based fertilizers. For example, chicken manure typically contains around 3% nitrogen, while synthetic nitrogen fertilizers such as urea contain up to 46% nitrogen. This means that a vastly larger volumes of organic fertilizer would be needed to provide the same amount of nutrients as synthetic fertilizers.

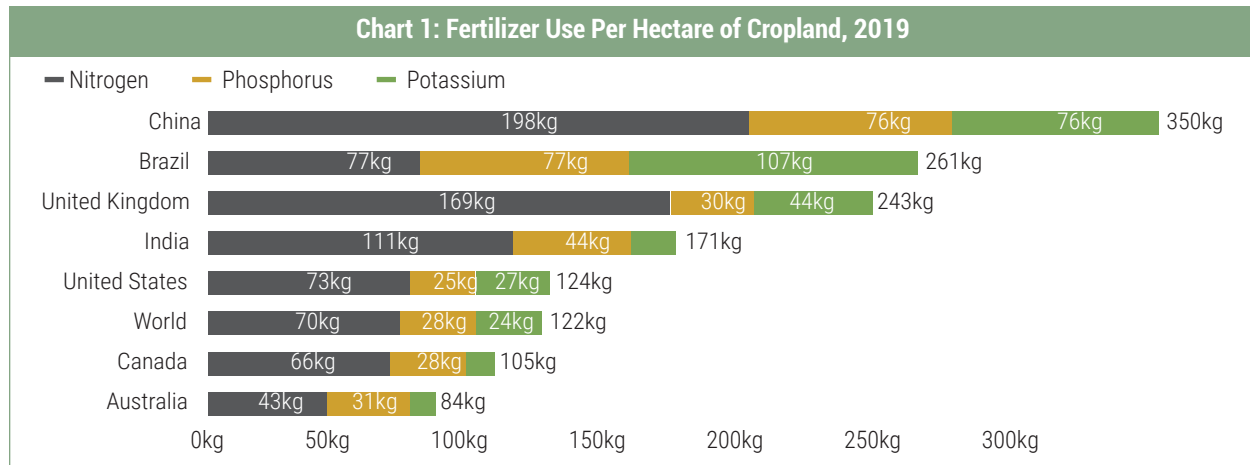
The Haber process is a crucial industrial method for producing ammonia, a key ingredient in nitrogen-based fertilizers. In simple terms, it involves combining nitrogen and hydrogen gases under high pressure and temperature in the presence of a catalyst. Nitrogen is obtained from the air, which is about 78% nitrogen, while hydrogen is typically sourced from natural gas. The resulting ammonia is then used to create fertilizers that help plants grow by providing them with essential nitrogen. The importance of the Haber process cannot be overstated, as it has played a vital role in global food production and population growth. Before the development of this process, obtaining nitrogen for fertilizers was limited and inefficient. The Haber process revolutionized agriculture by significantly increasing crop yields and allowing farmers to produce more food on less land.

It is clear there must be a responsible balance between sustainable agriculture and the need to keep feeding eight billion human beings.



CANADIAN FARMERS USE FERTILIZER EFFICIENTLY

Despite being recognized as highly efficient in their use of nitrogen/ammonia-based fertilizer, Canadian farmers are now facing potential reductions in nitrogen-based fertilizer use mandated by the federal government. Nitrogen Use Efficiency (“NUE”) is an important measure of how effectively crops use nitrogen fertilizer, with a NUE of 60% indicating that the crops used 60% of the nitrogen that was added as inputs. Canadian farmers achieve an average NUE of approximately 60%, which is significantly higher than the global average of around 40%. This is attributed to Canadian farmers focus on sustainable agriculture practices, including precision fertilization, use of nitrogen-fixing crops, and adoption of technologies such as controlled-release fertilizers.

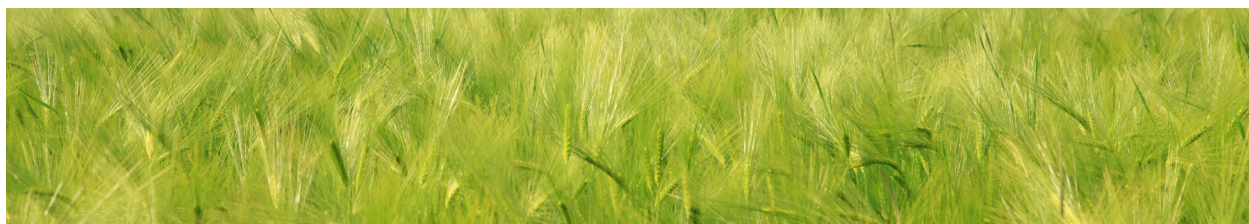


Source: FAO

Canadian farmers are also low absolute users of fertilizer per hectare of cropland, which is a testament to their sustainable farming practices. However, reductions in nitrogen-based fertilizer use could lead to challenges for farmers in maintaining their crop yields and productivity levels. As nitrogen is a critical nutrient for plant growth, reducing its use could result in lower crop yields and decreased agricultural productivity, leading to potential food shortages and higher food prices. While larger scale farmers may be able to invest in technology and adopt precision farming practices to reduce their fertilizer use, smaller farmers may not have the same level of resources available to them.

Clearly given its critical and irreplaceable role in feeding the global population, nitrogen/ammonia-based fertilizer price increases are going to impart upward real pressure on agricultural commodity prices. This in turn is creating a compelling ROI for large scale farmers who adopt the technology (precision farming, variable rate application etc) to reduce fertilizer use materially as its one of their biggest operating costs. While smaller farmers have a similar incentive, they lack the scale and may not have access to the capital to fully capture the returns. Will this mean greater profits for larger farms and reduced profits for smaller farms?

“It is bad enough that so many people believe things without any evidence. What is worse is that some people have no conception of evidence and regard facts as just someone else’s opinion.” - Thomas Sowell



FARMING IS HIGH TECH

Precision farming is a management concept which utilizes modern technology, such as GPS, Geographic Information Systems and data analytics, to accurately measure, monitor, and manage soil and plant production. Precision farming enables farmers to apply the right amount of fertilizer, water, and other inputs at the right time and place,

resulting in more efficient and effective use of resources.

Autonomous farm vehicles are self-driving, intelligent machines designed to perform various agricultural tasks without human intervention. These vehicles use a combination of sensors, GPS, cameras, and machine learning algorithms to navigate, identify crops or obstacles, and execute operations such as planting, fertilizing, and harvesting. By automating labor-intensive tasks, autonomous farm vehicles improve efficiency, reduce labor costs, and enable farmers to manage larger areas.

Precision farming also allows for the optimization of crop yields by taking advantage of site-specific variations in soil, climate, and topography. By understanding the unique characteristics of a particular field, farmers can tailor their crop management strategies accordingly. For example, they can apply fertilizers and pesticides only where needed, based on precise measurements of soil fertility and pest pressure. This not only reduces production costs but also minimizes the environmental impact of farming.

Variable Rate Technology (VRT) is an advanced agricultural approach that optimizes resource usage and enhances crop yield, quality, and sustainability. By leveraging GPS, sensors, and software to collect and analyze data on field-specific needs, VRT enables precise application of inputs like water, fertilizers, and pesticides.

Table 2: Current planned use by region of precision technology tools:

Precision Agriculture	Yield monitoring and mapping	Fertilizer application	Sprayer section controllers	In-field soil sensors
Global	69	67	67	45
North America	76	76	70	37
South America	79	79	77	56
Europe	40	40	53	47
Asia	42	42	44	47

1Q: What is your level of adoption on the following trends? (n=5,675); Asia includes China and India; Europe includes Germany, France, Netherlands, and Spain; North America includes Canada and the United States; South America includes Argentina and Brazil.

2Q: What is your level of adoption on the following precision agriculture hardware? (n=887).

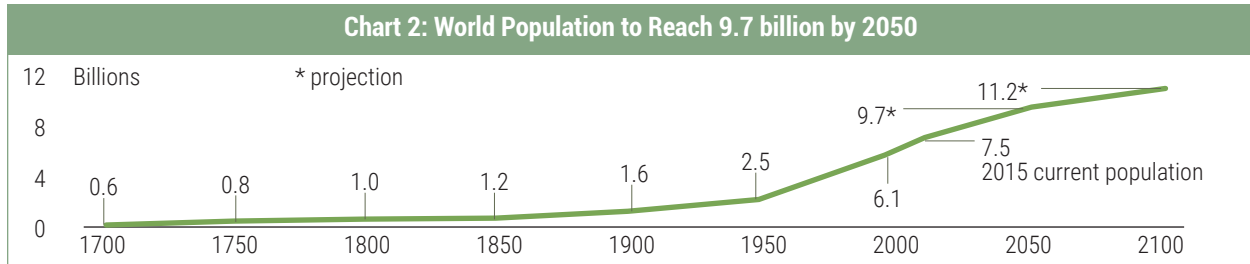
Source: Farmers Global Insights Survey, McKinsey, May 2022

Advanced data analytics help collect and analyze data on soil conditions, crop yields, and other factors. This information helps farmers make informed decisions about planting, fertilization, and harvesting. By identifying patterns and trends in their fields, farmers can optimize their operations for maximum efficiency.

North American farmers are at the forefront of the high-tech adoption trend. According to a recent survey, most Canadian farmers (77%) say they are using at least one type of precision agriculture technology, while nearly half (47%) say they are using multiple precision agriculture technologies. This is due in large part to the increased availability of precision agriculture technology, as well as the growing recognition of its potential to improve yields and reduce costs.

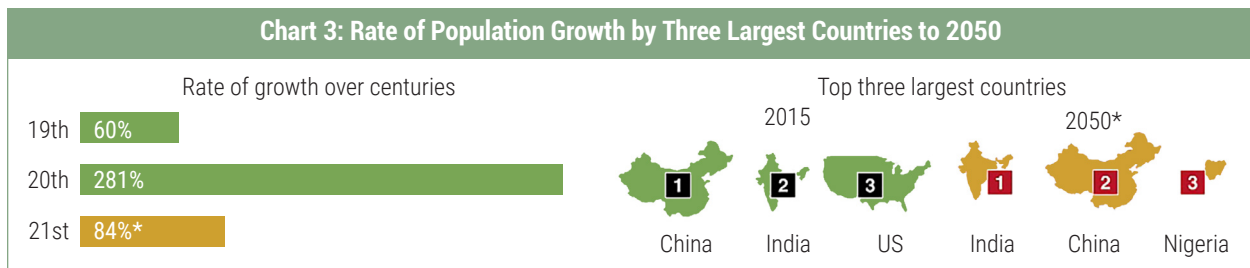
FOOD DEMAND WILL CONTINUE TO GROW RAPIDLY

By 2050 there will be over two billion more people (26% increase) and billions more in the middle class – creating the multiplying effect of more people to feed and greater protein consumption per capita.

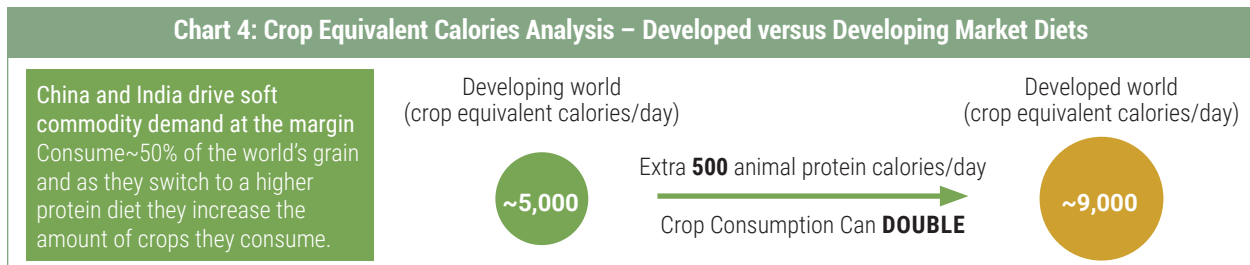


Source: United Nations

Population and socio-economic growth will overwhelmingly be in emerging markets which have not gone through the dietary transition to higher protein consumption – which is a crop consumption multiplier.

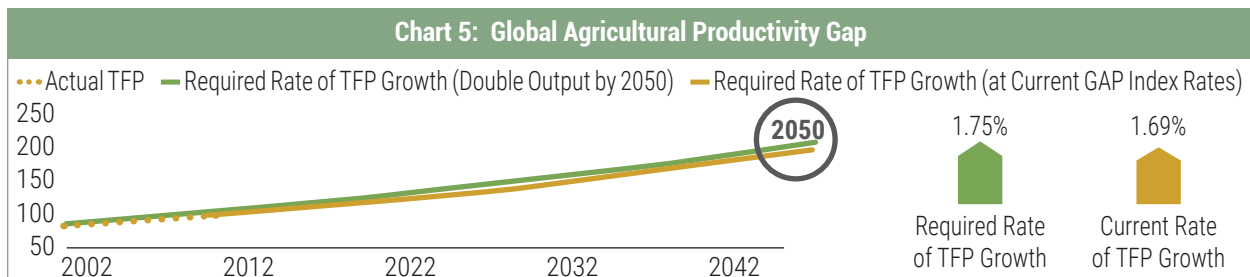


Source: United Nations



Source: Beef Cattle Research Council (8), World Health Organization (9), Nation Master Website (4), FAO (5), Veripath analytics

The result is that the projected food demand growth rate exceeds the currently projected agricultural productivity growth rate – leaving a “gap” which will be closed with absolute per capita consumption drops or substitutions.



Source: 2014 Global Agricultural Productivity Report

BIOFUEL MANDATES ARE INCREASING AGRICULTURAL COMMODITY PRICES

According to a 2018 report by the World Bank, biofuel mandates and subsidies have led to a significant increase in the price of food commodities. The report found that between 2004 and 2011, biofuel mandates and subsidies accounted for about 30% of the increase in food prices.

“One of the most important reasons for studying history is that virtually every stupid idea that is in vogue today has been tried before and proved disastrous before, time and again.” - Thomas Sowell

One reason for this is that biofuel production often involves using land and crops that would otherwise be used for food production, leading to competition for resources and driving up food prices.

For example, in the United States, the production of corn-based ethanol has been criticized for diverting large amounts of land and corn away from food production, leading to higher food prices.

“It is usually futile to try to talk facts and analysis to people who are enjoying a sense of moral superiority in their ignorance.” – Thomas Sowell

Another factor is the effect of biofuel mandates on global commodity markets. As more countries adopt biofuel mandates, the demand for biofuels increases, leading to higher prices for the crops used to produce them. This increased demand can also spill over into other crops, leading to higher prices for food commodities.

Table 3: Land Requirement for Biofuel Production:

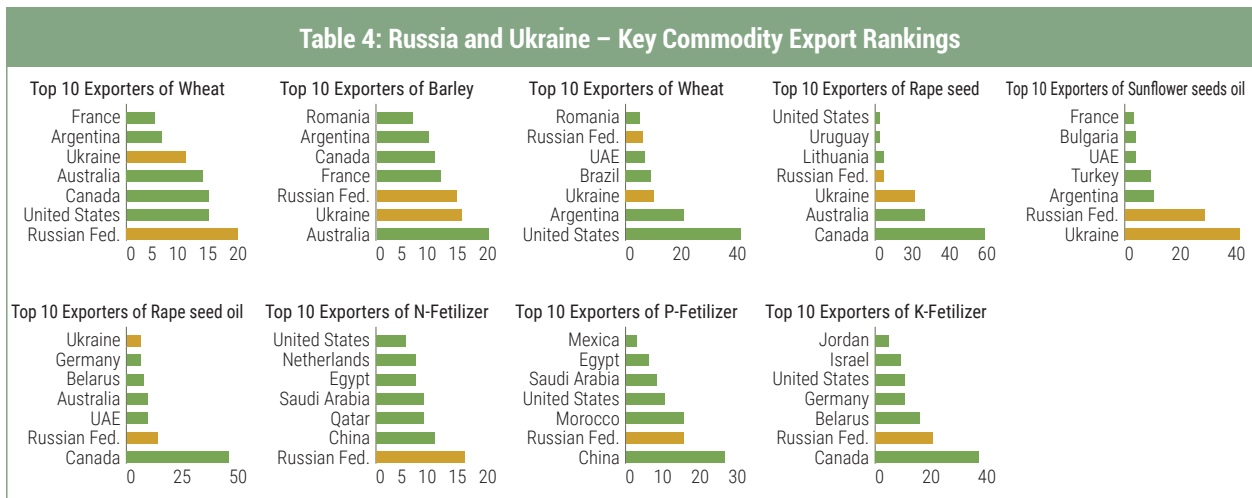
	2004 ¹		2030 ²		2030 ³		2030 ⁴	
	Million hectares	% arable	Million hectares	% arable	Million hectares	% arable	Million hectares	% arable
The United States & Canada	8.4	1.9	12.0	5.4	20.4	9.2	22.6	10.2
European Union	2.6	1.2	12.6	11.6	15.7	14.5	17.1	15.7
OECD Pacific	Neg.	Neg.	0.3	0.7	1.0	2.1	1.0	2.0
Transition economics	Neg.	Neg.	0.1	0.1	0.2	0.1	0.2	0.1
Developing Asia	Neg.	Neg.	5.0	1.2	10.2	2.5	11.5	2.8
Latin America	2.7	0.9	3.5	2.4	4.3	2.9	5.0	3.4
Africa & Middle East	Neg.	Neg.	0.8	0.3	0.9	0.3	1.1	0.4
Global	13.8	1.0	34.5	2.5	52.8	3.8	58.5	4.2

Source: FAO, International Energy Agency. 1 Land used for biofuel production in 2004 and as a percentage of total arable land. 2 Situation in 2030 if current trends remain unchanged. 3 Situation if countries adopt all of the policies they are currently considering related to energy security and CO₂ emissions. 4 Situation which some biomass for biofuel production comes from non-arable land and residues, reducing arable land requirements.



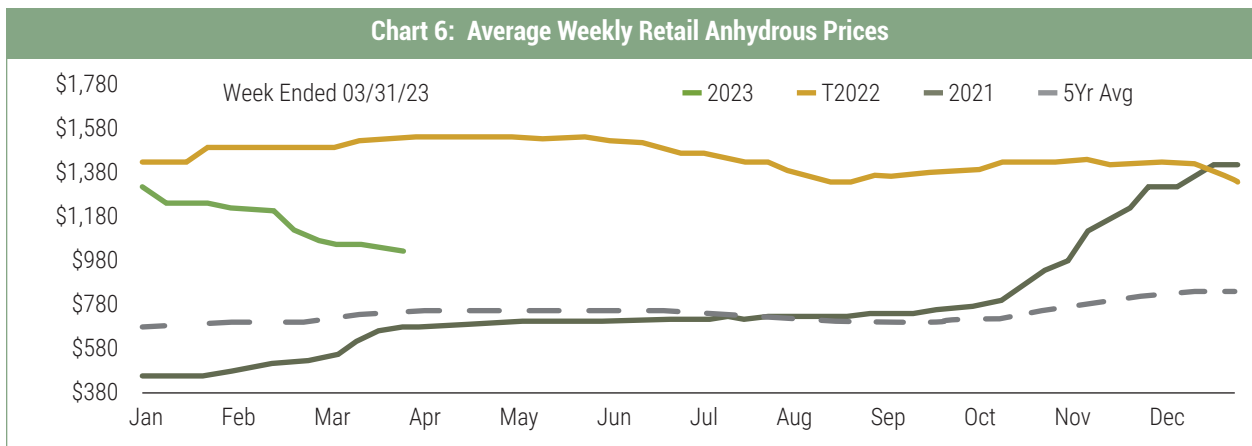
SANCTIONS ON RUSSIA ARE INCREASING AGRICULTURAL COMMODITY PRICES

Over and above direct food production, Russia is the global leader in fertilizer supply...



“High European natural gas prices forced curtailment in European fertilizer production in the fall of 2021. Russia’s invasion of Ukraine further increased European energy prices, leading to 70% of EU ammonia production being idled in the fall of 2022. Fertilizer prices have come off recent highs yet remain historically elevated, given uncertainties in global nitrogen capacity.” FCC

“It is bad enough that so many people believe things without any evidence. What is worse is that some people have no conception of evidence and regard facts as just someone else’s opinion.” - Thomas Sowell

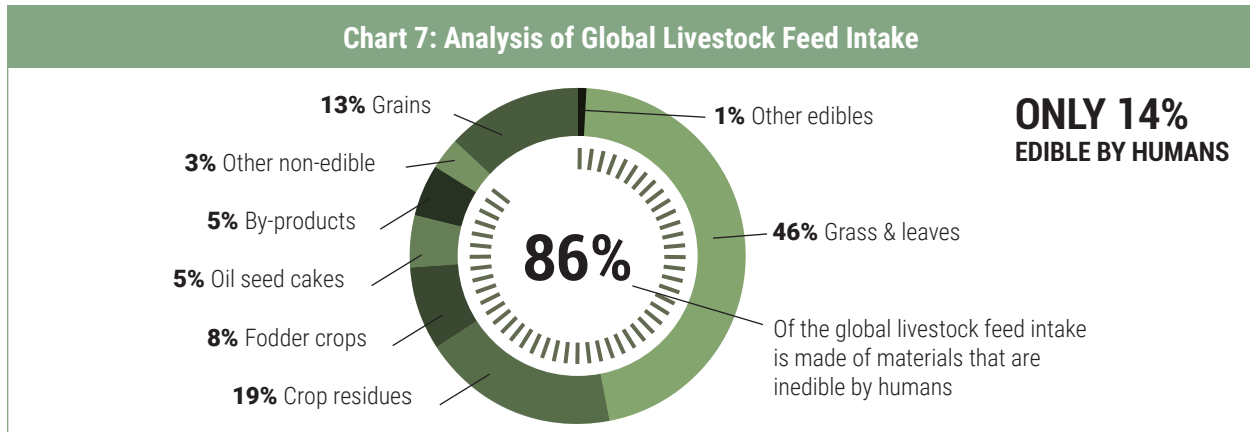


Source: DTN



LIVESTOCK DO NOT HARM THE ENVIRONMENT

Ruminants, through their evolution over millennia, have developed a symbiotic relationship with plants that allows for the conversion of cellulose into valuable animal protein and fats. Furthermore, a significant portion of global livestock feed is composed of materials indigestible for humans, with grass alone comprising nearly half. These factors highlight the efficiency and sustainability of livestock production within the agriculture industry.



Source: www.sacredcow.info

In addition, not all land can be cropped, and pasture raised cattle are a large and efficient source of high-quality protein (animal sources are complete as they contain all the amino acids required by humans) in the food system. *"Removing cattle doesn't mean we'll free up more land for crop production. More than 60% of agricultural land globally is pasture and rangeland that is too rocky, steep, and/or arid to support cultivated agriculture – yet this land can support cattle and protein upcycling"* Source Sacredcow.info. There are also less well-known benefits of ruminant protein production:

- **Carbon sequestration:** Pasture-fed cattle can help to sequester carbon in the soil through their manure and hoof action. This can increase soil organic matter and improve soil health, which can reduce greenhouse gas emissions and help to mitigate climate change.
- **Reduced use of fossil fuels:** Pasture-fed cattle systems often require less energy-intensive inputs, such as fertilizer and fuel, compared to conventional grain-fed systems. This can reduce the carbon footprint of beef production and help to conserve natural resources.
- **Water conservation:** Grazing animals on pasture can help to conserve water resources by improving soil structure and reducing runoff. This can lead to increased water infiltration and groundwater recharge.
- **Soil health:** Grazing animals can help to improve soil health by increasing nutrient cycling, reducing erosion, and improving soil structure. This can lead to increased productivity and resilience of pasture ecosystems.



LARGE SCALE FARMERS ARE MORE LIKELY TO USE CONSERVATION AGRICULTURE PRACTICES

Larger farms are generally better for the soil because they are more able to adopt soil management practices that improve soil health. For example, larger farms can implement more advanced soil conservation practices such as contour plowing, crop rotations, and cover crops. These practices help to increase the organic matter content of the soil, improve soil fertility, and reduce erosion. Additionally, larger farms are better able to access the resources necessary for soil management, such as machinery and irrigation systems. This helps to ensure that soil management practices are implemented properly and consistently, which further improves soil health. According to McKinsey “Across all markets, large farms—more than 5,000 acres—are the most willing to adopt agtech solutions (81 percent), with 76 percent of medium farms (2,000 to 5,000 acres) and 36 percent of small farms (fewer than 2,000 acres) using or planning to use at least one technology in the next two years”.

“What socialism, fascism and other ideologies of the left have in common is an assumption that some very wise people – like themselves – need to take decisions out of the hands of lesser people, like the rest of us, and impose those decisions by government fiat.” - Thomas Sowell

Table 5: Farm Practices Adoption Survey

	Small farms n=1,109 (<2,000 acres)	Medium farms n=157 (2,000-5,000 acres)	Large farms n=88 (>5,000 acres)
No till	58 1	61 1	61 2
Low till	57 2	62 1	70 1
Cover crops	45 4	49 2	53 2
Variable-rate fertilizer	45 3	63 2	49 4
Controlled-release & stabilized fertilizer	44 3	54 2	54 2

Legend:
■ Currently implementing this practice
■ Not using now but planning to use it in the next 2 years

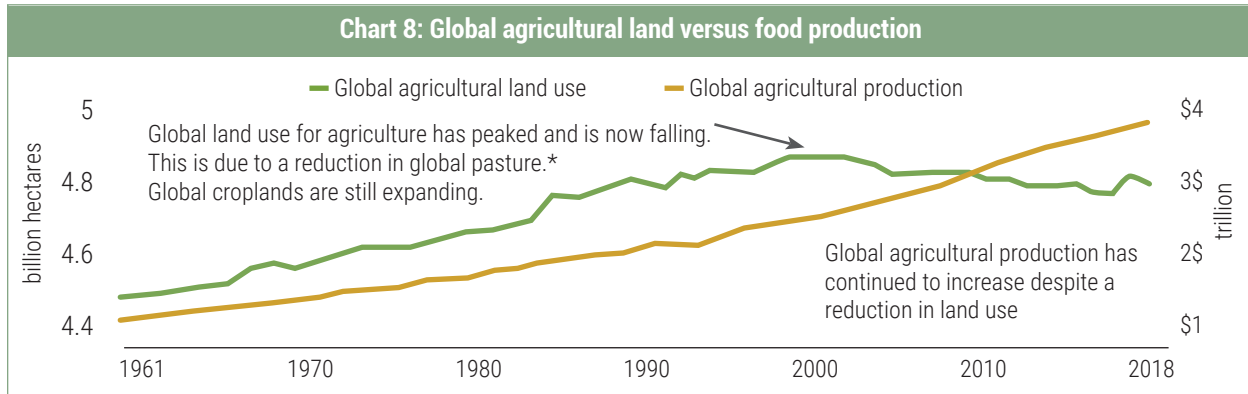
Source: McKinsey US Farmer Insight 2022-2023 (n=1354)

There are many more examples:

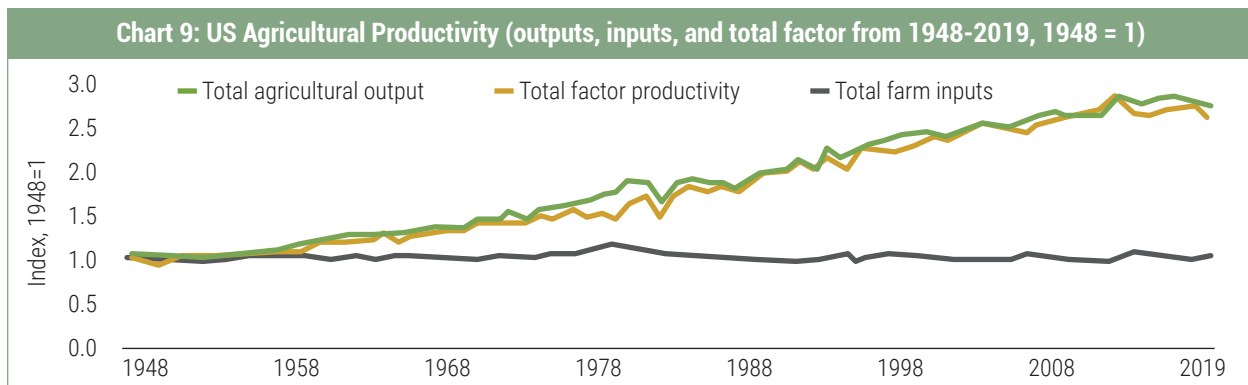
- In the midwest region of the US larger farms had higher soil organic matter content than smaller farms. Specifically, farms over 2,000 acres had an average soil organic matter content of 3.5%, compared to 2.9% for farms under 500 acres - source: University of Minnesota Extension.
- In Europe, larger farms are more likely to adopt practices such as crop rotation, intercropping, and reduced tillage. Specifically, farms over 100 hectares were found to use reduced tillage on 71% of their land, compared to 47% for farms under 20 hectares - source: European Environment Agency.
- in the Great Plains region of the US larger farms had lower erosion rates than smaller farms. Specifically, farms over 5,000 acres had an average soil erosion rate of 2.5 tons per acre per year, compared to 5.5 tons per acre per year for farms under 500 acres - source: University of Nebraska-Lincoln.

FARMING IS HIGHLY EFFICIENT

When either total factor productivity or simply overall productivity are considered farmers have shown remarkable and consistent gains over the last 40 years.



Source: Our World in Data



Source: USDA Economic Research January 2022

To put this efficiency into more concrete terms with examples:

- The average corn yield in the U.S. has increased from 75 bushels per acre in 1980 to 177 bushels per acre in 2020, representing a 135% increase – source USDA
- The global use of nitrogen fertilizer per hectare of cropland has decreased by 11% since 2002 – source International Fertilizer Association
- The adoption of conservation tillage practices has increased in the U.S., from 17% of total cropland in 1990 to 67% in 2017 – source USDA
- The average rice yield in Asia has increased from 2.2 tons per hectare in 1970 to 4.5 tons per hectare in 2018, representing a 105% increase - source International Rice Research Institute
- The amount of water needed to produce a kilogram of wheat in India has decreased from 4,240 liters in 2005 to 3,654 liters in 2014, a 14% decrease - source International Water Management Institute
- The use of pesticides in the EU decreased by 21% between 2011 and 2018 - source European Commission
- The average milk yield per cow in the United States has increased from 6,989 pounds per year in 2000 to 9,327 pounds per year in 2020, a 33% increase - source USDA
- In 2019, the global food production per capita reached 3,011 kcal per day, which is 22% higher than in 1961 – source FAO.
- The number of undernourished people worldwide has decreased from 1.02 billion in 1990-1992 to 690 million in 2019 – source FAO

CONCLUSION

What could 2-3 billion more people, 1-2 billion people switching from emerging market to developed market diets, high fertilizer prices, growing biofuel mandates, downward pressure on mid-latitude farm productivity (improvements in northern hemisphere productivity) mean for Canadian farmland? We believe real price increases. Why? The question can be answered by considering demand elasticity of the various farm level inputs and outputs – fuel, fertilizer, and crops.

Table 6: Estimates of Elasticity of Demand of Critical Agriculture Inputs versus Wheat

	Short Term (<1 year)	Price Increase for 10% Demand Reduction
Fertilizer	-1.30	7.7%
Diesel	-0.36	27.8%
Gasoline	-0.26	38.5%
Wheat	-0.04	250.0%

Sources: USDA, Molly Espey – *Journal of Energy*, Korea Department of Energy, various, Veripath analysis

“Demand elasticity is a measure of how sensitive the demand for a product or service is to changes in the price of that product or service. The formula for demand elasticity is: $Elasticity = \% \text{ Change in Quantity} / \% \text{ Change in Price}$. How does demand elasticity work? Let’s assume that when gas prices increase by 50%, gas purchases fall by 25%. Using the formula above, we can calculate that the demand elasticity of gasoline is: $Elasticity = -25\% / 50\% = -0.50$. Thus, we can say that for every percentage point that gas prices increase, gas demand decreases by half a percentage point.” Source: Investing Answer. Therefore, the pertinent question becomes, what is more inelastic, demand for food, or demand for fertiliser and fuel? Globally this can be resoundingly answered as food. While this may seem counter-intuitive to us well-fed inhabitants of the developed world you must consider the ~4 billion people in the emerging world who are effectively at or near minimum calorie levels. The “spread” between the two demand curves is going to be a material driver for farmland returns over the medium to long-term.

“Blessed are the young, for they shall inherit the national debt”
–Herbert Hoover. Relevant in 1936 even more relevant in 2023.



Offering Memorandums of Veripath Farmland LP and Veripath Farmland (UR) LP dated May 30, 2022 and Veripath (UR) Fund dated February 28, 2023 (collectively, the "Funds") contain important information relating to the units of each of the Funds, have or will be filed with the securities regulatory authorities in each of the jurisdictions where a distribution has occurred or will occur pursuant to the Offering Memorandums. A copy of the Offering Memorandums are required to be delivered to you at the same time or before you sign the agreement to purchase any of the securities described in this document pursuant to the Offering Memorandums. This document does not provide disclosure of all information required for an investor to make an informed investment decision. Investors should read the Offering Memorandums, especially the risk factors relating to Veripath, before making an investment decision.

\$290M¹
Total AUM

~110,000¹
Total Acres

2,075 acres¹
Average Holding Size

57¹
Operators

VERIPATH FARMLAND LP²

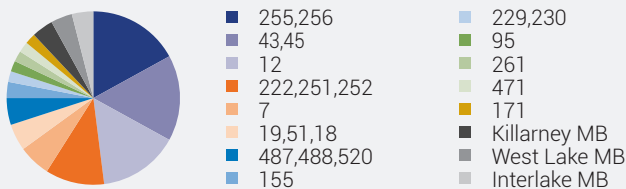
OVERVIEW

Assets Under Management (AUM)	\$118M
Number of Acres	47,228
Geographic Diversification	25 RM's
Operational Diversification	25 Operators

NAVS

Series W	\$1.3573/unit
Series W2	\$1.3446/unit
Series P	\$1.2979/unit
Series A	\$1.2872/unit

ASSET ALLOCATION (%)



VERIPATH FARMLAND (UR) LP²

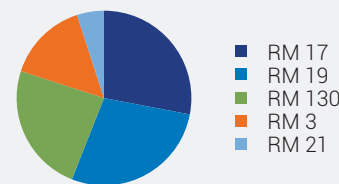
OVERVIEW

Assets Under Management (AUM)	\$78M
Number of Acres	21,067
Geographic Diversification	5 RM's
Operational Diversification	9 Operators

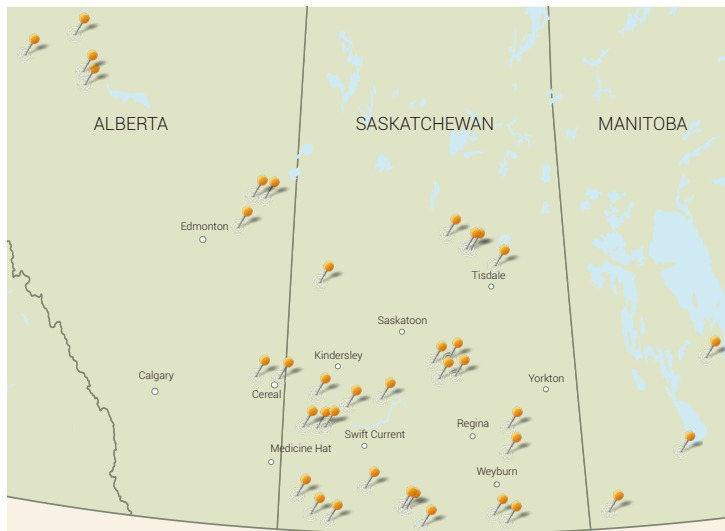
NAVS

Series W	\$1.2518/unit
Series W2	\$1.2489/unit
Series P	\$1.2274/unit
Series A	\$1.2210/unit
Series A1 ³	\$1.2210/unit
Series A2 ³	\$1.2210/unit
Series A3 ³	\$1.2210/unit
Series A4 ³	\$1.2210/unit

ASSET ALLOCATION (%)



LAND HOLDINGS MAP



DISCLAIMER

This document is for informational purposes only concerning Veripath Farmland LP, Veripath Farmland (UR) LP and Veripath (UR) Fund (the "Funds"). This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, nor shall any part of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities. This document does not constitute any form of commitment, recommendation, representation, or warranty on the part of any person. No reliance should be placed on the completeness of the information contained in this document. This document is not intended to be a comprehensive review of all matters concerning the Funds. Past performance does not guarantee future results.

The AUM is calculated as of April 24, 2023 and includes all assets contracted for acquisition under a binding contract (and takes into account management's expectation as to the debt/equity financing for such acquisitions). Number of acres includes farmland contracted for acquisition which is under a binding contract. NAVs are calculated as of the date at which the NAVs are published following the quarter end.

1. Total AUM, Total Acres, Average Holding Size and Operational Diversification are the aggregate values of all the farmland portfolios managed by the management Team.
2. Veripath Farmland (UR) LP invests in all of Canada (excluding SK and MB) and Veripath Farmland LP invests only in Saskatchewan and Manitoba.
3. Series A1, A2, A3 and A4 of Veripath (UR) Fund are RRSP eligible.

SERIES RETURNS

NAV % / Unit		2020				2021				2022				2023 Q1	Inception	TTM
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			
Veripath (R)	Series W	1.10%	0.60%	2.50%	1.80%	2.90%	2.30%	0.80%	1.60%	2.10%	3.50%	2.40%	3.20%	2.55%	9.9%	12.2%
	Series W2	-	-	-	-	-	-	-	1.60%	2.10%	3.50%	2.40%	3.10%	2.52%	10.6%	12.1%
	Series P	-	-	-	-	1.50%	0.90%	0.90%	1.60%	1.70%	3.20%	2.00%	2.80%	2.17%	7.6%	10.5%
	Series A	-	-	-	-	-	-	0.20%	1.60%	1.70%	2.90%	2.30%	2.70%	2.13%	7.9%	10.4%
Veripath (UR)	Series W	-	-	-	1.10%	0.70%	3.70%	0.10%	1.20%	2.10%	2.10%	2.20%	1.90%	2.13%	6.6%	8.6%
	Series W2	-	-	-	-	-	-	-	1.20%	2.10%	2.10%	2.20%	1.90%	2.10%	7.9%	8.5%
	Series P	-	-	-	0.50%	0.80%	3.70%	0.80%	1.20%	1.80%	1.80%	1.80%	1.60%	1.77%	6.2%	7.2%
	Series A	-	-	-	-	-	-	0.40%	1.20%	1.80%	1.90%	1.70%	1.50%	1.73%	6.0%	7.0%
Veripath (UR) – RRSP	Series A1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Series A2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Series A3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Series A4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

LP UNITS OVERVIEW

Issuer:	Veripath Farmland LP and Veripath Farmland (UR) LP (the "Funds")			
Manager:	Veripath Farmland Partners LP			
Investment Objective:	The objective of each of the Funds is to generate attractive, stable, inflation hedged returns and preserve capital by investing in a geographically diversified portfolio of Canadian farmland. Veripath Farmland LP invests in the provinces of Saskatchewan and Manitoba, and Veripath Farmland (UR) LP invests in all Canadian provinces excluding Saskatchewan and Manitoba.			
Security:	Series A	Series P	Series W	Series W2
Target Return:	CPI plus 5%	CPI plus 5%	CPI plus 5%	CPI plus 5%
Opt-In Quarterly Redemption:	NA	NA	NA	Lesser of 1.25% of capital contribution or aggregate NAV
Minimum Hold Period:	4 years	4 years	3 years	3 years
Management Fee:	1.95%	1.85%	1.75%	1.75%
Performance Fee:	18%	16%	12%	12%
Hurdle:	5% ¹	6% ¹	8% ²	7% ²
Disposition Fee (GP):	1.0% in year 5 & 6	NA	NA	NA
Redemption Fee (Fund):	1.0% in year 5 & 6	NA	NA	NA
Minimum Investment:	\$5,000; No longer accepting capital in (UR) LP	\$250,000; No longer accepting capital in (UR) LP	\$1 million subject to Manager discretion	\$1 million subject to Manager discretion
NAV:	Quarterly	Quarterly	Quarterly	Quarterly
Redemption:	Annually post hold	Annually post hold	Quarterly post hold	Quarterly post hold

1. Blended hurdle. 2. Hard hurdle.

RRSP UNITS OVERVIEW

Issuer:	Veripath (UR) Fund			
Manager:	Veripath Farmland Partners LP			
Investment Objective:	The Trust has been established with the objective of investing indirectly in the business of Veripath Farmland (UR) LP through its acquisition of LP Units.			
Security:	Series A1	Series A2	Series A3	Series A4
Target Return:	CPI plus 5%	CPI plus 5%	CPI plus 5%	CPI plus 5%
Hold Period ² :	1 year	2 years	3 years	4 years
Management Fee:	1.75%	1.75%	1.75%	1.75%
Performance Fee:	20%	19%	18%	17%
Hurdle:	4% ¹	5% ¹	6% ¹	7% ¹
Minimum Investment:	\$1,000	\$1,000	\$1,000	\$1,000
NAV:	Quarterly	Quarterly	Quarterly	Quarterly
Pre-maturity Redemptions:	3% ³	3% ³	3% ³	3% ³
Post-maturity Redemptions:	up to 100% ⁴	up to 100% ⁴	up to 100% ⁴	up to 100% ⁴

1. Blended Hurdle. 2. Hold period redemption penalties – Year 1 = 6%, Year 2 = 5%, Year 3 = 4%, Year 4 = 3%. 3. Cash within 45 days (subject to minimum 45 days notice prior to quarter end) or redemption notes with duration for remainder of hold period – rates as follows – NTD < 1 year @ 2%, > 1 year @ appropriate duration BOC prime rate. 4. Cash within 45 days (subject to minimum 45 days notice prior to quarter end).

FUNDSERV CODES

Veripath Farmland Fund (R) LP		Veripath Farmland Fund (UR) LP		Veripath (UR) Fund (RRSP)	
Series W	QWE643	Series W	QWE640	Series A1	QWE632
Series P	QWE642	Series P	QWE639	Series A2	QWE633
Series A	QWE641	Series A	QWE638	Series A3	QWE634
Series W2	QWE644	Series W2	QWE637	Series A4	QWE635

SENIOR TEAM



Stephen Johnston (Director, Investment Committee): Stephen has over 25 years experience as a fund manager. He was the head of the Société Générale Asset Management Emerging Markets – UK private equity team with approximately C\$500 million of assets under management. He founded a series of alternative funds prior to Veripath including a farmland strategy, an SME PE strategy, an energy strategy and a private credit strategy. Stephen has a BSc. (1987) and a LLB from the University of Alberta (1990) and an MBA (1994) from the London Business School.



Barclay Laughland (Director, Investment Committee): Barclay has over 25 years of experience in the areas of corporate finance, investment fund management, mergers and acquisitions, debt/equity financings and business management. More than half that time has been spent in direct involvement with private equity, and he was most recently vice-president, corporate affairs for a publicly-traded investment company. In addition to the farmland strategy, Barclay has been a co-founder in alternative funds focused in energy and healthcare. Barclay received both a BCom. (1991) and JD (1994), University of Saskatchewan.



Carmon Blacklock (Vice President, Investments & Operations): Carmon has over 25 years of experience in the agriculture industry, including owning and operating his own row crop farming operation in Canada. In addition, he has over 15 years experience in the investment and finance industry working with various mutual fund and private equity companies. He received his BA. in International Economics (2005) University of Ryerson, and MSc. Quantitative Finance (2006) University of Westminster.

CONTACT INFORMATION

Veripath #300, 4954 Richard Rd SW Calgary, AB T3E 6L1 www.veripathpartners.com	Stephen Johnston 1.587.390.8266 sjohnston@veripathpartners.com	Barclay Laughland 1.403.829.7185 blaughland@veripathpartners.com	Carmon Blacklock 1.587.390.8267 cblacklock@veripathpartners.com
---	--	--	---

LEGAL NOTICE

An investment in Veripath Farmland LP, Veripath Farmland (UR) LP and Veripath (UR) Fund (collectively, "**Veripath**") is highly speculative and involves a number of risks, including due to the nature of Veripath's business, the risks inherent in Veripath's investment strategies and the fact that Veripath has limited operating history. Only investors who are willing to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of Veripath Farmland Partners LP, the manager of Veripath (the "**Manager**"), who do not require immediate liquidity of their investment and who can afford a total loss of their investment, should consider an investment in Veripath. Prospective investors should read the Offering Memorandums **in their entirety** and consult with their own professional advisors to ascertain and assess the income tax, legal, risks and other aspects of their investment in Veripath. There is no guarantee of performance and past or projected performance is not indicative of future results.

No securities regulatory authority has assessed the merits of, or expressed an opinion about the securities described in this document (collectively, the "**Securities**"), or the information contained in this document, or the Offering Memorandums. The Securities referred to herein will only be offered and sold in such jurisdictions where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such Securities. The Securities referred to herein may only be sold to prospective investors who reside in certain provinces and territories of Canada and who meet certain eligibility criteria on a basis which is exempt from the prospectus requirements of applicable Canadian securities laws. The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act).

No Certainty of Performance

The data contained in the table titled 'Series Returns' is historical only and is not indicative of future results. There is no guarantee of performance and past performance is not indicative of future results.

Purchaser's Rights

Securities legislation in certain of the provinces and territories of Canada provides purchasers with a statutory right of action for damages or rescission in cases where an offering memorandum or any amendment thereto contains an untrue statement of a material fact or omits to state a material fact that is required to be stated or is necessary to make any statement contained therein not misleading in light of the circumstances in which it was made (a "**misrepresentation**"). These rights, or notice with respect thereto, must be exercised or delivered, as the case may be, by purchasers within the time limits prescribed and are subject to the defenses and limitations contained under the applicable securities legislation. The following summary is subject to the express provisions of applicable securities legislation and the regulations, rules and policy statements thereunder. Purchasers should refer to the securities legislation applicable in their province or territory along with the regulations, rules and policy statements thereunder for the complete text of these provisions or should consult with their legal advisor.

The statutory rights of action described below are in addition to and without derogation from any other right or remedy that purchasers may have at law. If you are subject to the laws of Ontario, Saskatchewan, Nova Scotia or New Brunswick, those laws provide, in part, that if there is a misrepresentation in an offering memorandum, which was a misrepresentation at the time that you subscribed for the securities, then you will be deemed to have relied upon the misrepresentation and will, as provided below, have a right of action against the issuer of the securities (and, in certain instances, other persons) in respect of the securities purchased by you for damages, or alternatively, while still the owner of any of the securities purchased, for rescission, in which case, if you elect to exercise the right of rescission, you will have no right of action for damages against the issuer of the securities provided that: (1) no person or company will be liable if it proves that you purchased the securities with knowledge of the misrepresentation; (2) in the case of an action for damages, the defendant will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation; and (3) in no case will the amount recoverable in any action exceed the price at which the securities were purchased by you. In Ontario, Saskatchewan or New Brunswick, in the case of an action for rescission, no action may be commenced more than 180 days after the date of the transaction that gave rise to the cause of action. In the case of any action other than an action for rescission, (A) in Ontario, no action may be commenced later than the earlier of (i) 180 days after you first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action, and (B) in Saskatchewan or New Brunswick, no action may be commenced later than the earlier of (i) one year after you first had knowledge of the facts giving rise to the cause of action or (ii) six years after the date of the transaction that gave rise to the cause of action. In Nova Scotia, no action (for rescission or otherwise) may be commenced later than 120 days after the date on which payment was made for the securities. If you are subject to the laws of any other province or territory, reference should be made to the full text of the applicable provisions of the securities legislation in such provinces or territories or consultation should be undertaken with professional advisors.



About Veripath

#300, 4954 Richard Rd SW,
Calgary, AB T3E 6L1
www.veripathpartners.com

Veripath is a Canadian alternative investment firm. Members of Veripath's management team have been investing in farmland since 2007. Veripath is focused on risk first and invests in a way that seeks to reduce operational, weather, geographic and business-related risks while capturing the pure return from land appreciation for its investors. Our goal is to partner with farmers for the long-term using innovative lease arrangements and/or land-unit swaps to give certainty to farming operations.

DISCLAIMER

This document is for information only and is not intended to provide the basis of any credit or other evaluation, and does not constitute, nor should it be construed as, an offer to sell or a solicitation to buy securities of Veripath, Veripath Farmland LP, Veripath Farmland (UR) LP or any other entity, nor shall any part of this document form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities.

Past performance does not guarantee future results. This document contains statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports. While Veripath believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Veripath has not independently verified the accuracy or completeness of such data contained herein.

This document may provide addresses of, or contain hyperlinks to, third party websites. Veripath has not reviewed and takes no responsibility whatsoever for the contents thereof. Each such address or hyperlink is provided solely for the reader's convenience and the information and the contents thereof are in no way incorporated into this document. Readers who choose to access such third party websites or follow such hyperlinks do so entirely at their own risk.

Forward-Looking Information: This document includes forward-looking information and forward-looking statements (collectively, "forward-looking information") with respect to Veripath. Forward-looking information is provided for the purpose of providing information about the current expectations and plans of management of Veripath relating to the future. Readers are cautioned that such information may not be appropriate for other purposes. All statements other than statements of historical fact may be forward-looking information. More particularly and without limitation, this document contains forward-looking information relating to Veripath's investment objectives and strategies and its expectations with respect to the benefits of investing in farmland. Forward-looking information is based upon a number of assumptions and involves a number of known and unknown risks and uncertainties, many of which are beyond Veripath's control, which would cause actual results or events to differ materially from those that are disclosed in or implied by such forward-looking information. Although management believes that expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information since no assurance can be given that such information will prove to be accurate. Veripath does not undertake any obligation to update publicly any forward-looking information other than as required by applicable securities laws.

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 Veripath Farmland Partners nor its agents (collectively "Veripath") 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. Veripath 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. Veripath 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 Veripath 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.