

# Investments in Canadian Farmland

By Harry Siemens

Stephen Johnston, director of Veripath Farmland Funds (VFF), shared insights on farmland investments, explaining that Veripath has invested in farmland since 2007. The company now owns approximately 125,000 acres across Alberta, Saskatchewan, and Manitoba, valued at around \$400 million.

Johnston highlighted the importance of farmland as a stable, long-term investment, particularly in market volatility. While Veripath focuses mainly on Alberta, Saskatchewan, and a little in Manitoba,

it wants to expand into British Columbia and Ontario. The farmland investment strategy provides portfolio diversification and protection against market fluctuations, making it an appealing option for investors.

Veripath works with over 50 farming partners and follows an investment mandate spanning Canada.

Johnston explained that Veripath Farmland Funds invested in farmland due to various factors; including land availability and the view that farmland offers a stable investment opportunity.

When Veripath began ex-

ploring farmland investments, they found them particularly appealing due to their stability and reliability as assets.

Canadian farmland is relatively inexpensive compared to developed countries like the US and Europe, making it an attractive investment opportunity.

“Coming from private equity backgrounds, we saw the sizeable Canadian farmland market as a strong, affordable investment option,” said Johnston.

Johnston emphasized that farmland as an asset class provides a stable and reliable source of returns, making it

highly appealing to investors. He pointed out that VFF offers retail investors access to this traditionally hard-to-reach market through major bank dealers and brokerage firms. The consistency of returns generated by farmland was a significant factor in its appeal, particularly for those looking for long-term, stable investments.

He explained that although VFF has invested in farmland since 2007, they do not farm the land.

“We would never do that because we’re not farmers,” he said, clarifying that their role is purely as investors.

Johnston emphasized that almost 99% of Canadian farmland is still owned by individual farmers, with very few large farming corporations or farmland investment funds in the market.

“Even with their investment, the land remains farmed by those with the expertise to manage it effectively,” he said.

While VFF does not farm the land, they proactively ensure it is well cared for.

“We use satellite monitoring, regular agrology, and artificial intelligence tools to monitor the land,” Johnston

said.

However, he emphasized their trust in farming partners, some of whom they’ve worked with for over a decade.

“In 17 years of investing, we’ve never had a single problem with farming practices. Farmers respect the land and treat it well,” he added, expressing confidence in the expertise and stewardship of Canadian farmers.

He emphasized the importance of proper land stewardship in their investment model, saying, “We’d be crazy not to ensure the land is well taken care of because it’s the land that’s the investment. Farmers want to be good stewards of the land because it makes financial sense and because they genuinely care about it,” he added.

Johnston reassured that their approach is far from just renting the land for profit, stating, “You want the land to get better over time, and proper care ensures that happens.”

His company frequently collaborates with existing farmers looking to expand.

“We often get calls from farmers growing their operations and find out a neighbour’s land is for sale. They

reach out to us to see if we can purchase it, and then they continue farming it,” he said.

He noted their long-term relationships with farmers, some spanning over a decade, that they’ve never had issues with farming practices, even in new partnerships.

“Farmers, like my stepfather, truly care about the land,” Johnston stated, countering misconceptions from those unfamiliar with agriculture.

Canadian farmers, particularly in western Canada, are doing exceptional work preserving and improving the land, stating that 90% of all farmers are making the land better and deserve credit for it.

For investors considering Canadian farmland, Johnston pointed out key factors to evaluate: the investment firm’s track record, the portfolio size (such as how many acres they manage), and how well they monitor farming practices. He also highlighted the importance of experience, noting that Veripath has 17 years of experience, and there are few farmland investment managers globally with over 15 years of experience. Experience and size are critical when choosing where to invest in farmland.



Stephen Johnston, director of Veripath Farmland Funds, emphasized that Canadian farmers, particularly in western Canada, are doing exceptional work preserving and improving the land, stating that, “90% of all farmers are making the land better and deserve credit for it.”

Submitted photo