

ALTERNATIVE MARKET BRIEFING

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Why Institutional Investors turn to Canadian farmland in an uncertain macro environment

Matthias Knab, Opalesque:

Part 1 of 3: The Macro Case for Farmland as a Strategic Portfolio Allocation

As traditional asset classes face increasing volatility and inflation concerns persist across developed markets, a growing cohort of sophisticated investors is rediscovering one of the world's oldest asset classes: agricultural land. But this isn't your grandfather's farmland investment. Omnipotence Asset Management's Farmland Fund represents a different breed of institutional-grade farmland strategies - one that combines rigorous quantitative analysis with proprietary technology to capture systematic mispricings in the Canadian farmland market.

With nearly two decades of operational history and approximately \$500 million in assets under management across 140,000 acres, Omnipotence has pioneered what it calls "quantitative farmland investing" - a disciplined, data-driven approach to sourcing, acquiring, and managing row-crop farmland across Canada's most productive agricultural regions.

The Compelling Macro Backdrop

The investment thesis for farmland rests on several powerful, long-duration macro trends that are largely independent of economic cycles. Global population growth continues its inexorable march toward 10 billion people by 2050, while simultaneously, rising incomes in emerging markets are driving a billion additional middle-class consumers by 2030 - consumers who will demand higher-protein diets that require significantly more agricultural inputs.

The mathematics are stark: global crop production must double by 2050 just to keep pace with demand. Yet the supply side of this equation faces its own constraints. Approximately 25 million acres of farmland are lost globally each year to urbanization and land degradation. Climate change is shifting agricultural productivity zones, with some of the world's most productive regions facing increased water stress and extreme weather events.

"Poor G7 growth dynamics and expansionary monetary policy have triggered stagflation conditions," notes Stephen Johnston, Director at Omnipotence. "Rising debt and deficits are straining sovereign balance sheets, aging demographics are weakening fiscal sustainability, and low rates have inflated asset bubbles and incentivized capital misallocation. In this environment, real assets remain undervalued relative to financial assets."

Why Canadian Farmland Specifically?

Within the global farmland universe, Canadian agricultural land offers several distinct advantages that make it particularly attractive for institutional capital. Canada possesses the second-largest freshwater reserves in the world - holding approximately 20% of the planet's freshwater resources - a critical differentiator as water scarcity becomes an increasing constraint on agricultural productivity globally.

The Canadian farmland market itself is both large and liquid, with an \$800 billion total market size and annual turnover of approximately \$30 billion. This represents liquidity levels roughly 50% of real estate markets - far more liquid than most private market alternatives. Yet despite this scale, institutional ownership remains remarkably low at just 2% of the market, compared to significantly higher institutional penetration in U.S. farmland markets.

Perhaps most compellingly, Canadian farmland trades at a significant discount on a productivity-adjusted basis. Omnipotence's analysis shows that Canadian farmland costs approximately \$6,000 per ton of wheat production capacity, compared to \$9,400 globally and \$16,000 in high-cost markets like Ontario. This productivity-adjusted pricing gap represents the core alpha opportunity that Omnipotence's systematic approach is designed to capture.

An Inflation Hedge When It Matters Most

The 1970s stagflationary period - perhaps the closest historical parallel to today's macro environment - saw Canadian farmland

appreciate more than 300%. Unlike most assets that claim inflation-hedging properties, farmland's inflation correlation is structurally embedded: land values are directly tied to crop prices, which move with food inflation, while rental income provides current cash flow that also adjusts with inflation.

Omnigence's track record demonstrates this inflation-hedging characteristic in practice. Since 2008, the strategy has tracked CPI growth closely while delivering equity-like returns - an unusual and valuable combination. Its strategy has produced a 10.5% net annualized return with zero down quarters since inception, exhibiting the low volatility and consistent performance that institutional allocators prize.

Correlation analysis further validates farmland's diversification benefits. Over the 2008-2025 period, the firm farmland strategy showed negative correlation with commodities (-9%), global equity (-6%), U.S. equity (-5%), and U.S. real estate (5%), while demonstrating minimal correlation with credit (1%) and fixed income (9%). In the more recent 2020-2025 period, these diversification benefits have strengthened, with correlations of -18% to commodities, 3% to global equity, and 9% to U.S. equity.

A Non-Operated Model Avoiding Commodity Risk

Critically, Omnigence's strategy focuses exclusively on land ownership and rental income, completely avoiding operational farming risk. "We capture real asset pricing inefficiencies without operational risk," explains Jonathan Plante, Director at Omnigence. The fund acquires farmland and leases it to experienced local farmers under 2.5-year average lease terms with upfront cash rent payments.

This non-operated approach eliminates exposure to volatile commodity prices, crop failures, and operational execution risk. Returns are driven purely by two factors: land appreciation (which represents over 75% of total returns) and rental income (approximately 20% of returns), with minor contributions from occasional changes of use. This creates a much more stable and predictable return stream than operated farmland strategies or direct commodity exposure.

The Path Forward

As institutional portfolios grapple with the dual challenges of generating real returns in a low-growth environment while protecting against inflation, the case for farmland allocation strengthens. Canadian farmland in particular offers a rare combination: an under-institutionalized market with strong liquidity, structural supply-demand tailwinds, compelling inflation-hedging characteristics, and meaningful portfolio diversification benefits.

For investors willing to look beyond traditional alternatives, farmland represents what Omnigence calls "unlocking value in under-financialized markets" - opportunities that exist precisely because they require specialized expertise, local relationships, and proprietary tools to access effectively. In an era where truly uncorrelated return streams have become increasingly scarce, Canadian farmland merits serious consideration as a strategic portfolio allocation.

In Part 2 of this series, we'll examine the proprietary technology platform and quantitative framework that Omnigence has developed to systematically identify and capture farmland mispricings across Canada's diverse agricultural regions.

Interactive Investor Workshop on Canadian Farmland Investing:

Wednesday, January 28th 11 am ET (4pm GMT, 5pm CET, 6pm Riyadh, 7pm Dubai, 8:30pm Delhi) with on-demand access to the webinar recording for 30 days after the event.

Learn directly from the Omnigence team about their 18+ year track record of farmland investing and how institutional investors can access this differentiated alternative asset class.

The live and interactive session will cover:

- Detailed analysis of the macro drivers supporting farmland valuations
- How Veripath's proprietary TerraFIRST platform identifies systematic mispricings
- Portfolio construction methodology and risk management framework
- Fund structure, liquidity terms, and investor considerations
- Live Q&A with the investment team

[Register now to secure your spot.](#)

Space is limited to ensure interactive discussion. This Investor Workshop is intended for qualified institutional investors and investment professionals only