



MedReport International

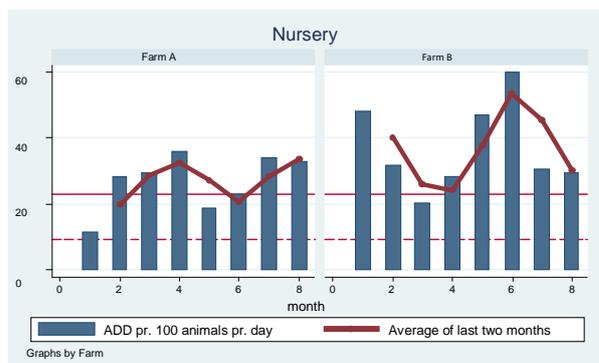
What is MedReport International?

A monthly report showing the farm's average medicine consumption
– each animal group is listed.

- Easy to monitor medicine dynamics over time.
- Easy to compare your farms with the Danish average, Danish yellow card limit and other farms outside Denmark.

Why use MedReport International?

- Monitoring use of antibiotics
- Benchmarking (comparing herds)
- Political trend in EU
- Data are anonymous



Easy to use MedReport International:

- **You** note medicine used in our Excel sheet once a month.
- **We** compile data, run analyses and generate monthly reports and send them to you.

For further information and price, contact Ø-Vet A/S, Ken Steen Pedersen, CEO at ken@oevet.dk or +45 30 57 63 36.

Course for veterinarians working in pig production

Background

In a collaboration between Ø-Vet A/S and Danish Farmers Abroad (DFA), a course for veterinarians is established.

Aim of education

The participating veterinarians will achieve skills and competences within herd related health and disease of pigs.

Target group

Veterinarians working with pig production and pig diseases -- - including primarily from Eastern and Central Europe.

Overall structure

A course consisting of meetings lasting two days each time in various places in Europe. In total, five such meetings will be held with about four months' intervals i.e. 10 course days.

The aim is to have 8-12 persons per class. The course is done in English.

Offering the course in other languages than English – such as Slovakian, Polish, Ukrainian or Russian – is also an option.

Course content

Teaching will be done within the following areas:

1. Teaching of diseases, necropsies and pathology
2. Herd diagnostics including use of pictures for diagnostics and supervision
3. Teachings of medicine and treatment strategies
4. Herd immunity, vaccination and eradications
5. Health and production economy
6. Biosecurity
7. Veterinary aspects regarding feed, feeding, housing and caretaking
8. Relevant diseases and their handling concerning weaners and finisher pigs
9. Reproduction
10. Relevant diseases and their handling concerning sows and piglets



Structure of course days

The participants will arrive the evening before. On day one class starts at 8:00 and continues until 17:00. On day two class also starts at 8:00 and continues until 14:00.

The classes are done as a mix of lectures and interactive class including workshop, practical exercises and farm visits.

An important element of classes will be incorporation of Ø-Vet's practical veterinary experiences from the various European countries.

Meetings are placed on Thursday/Friday so that farm visits are possible on Friday.

Programme:

Course days 1+2: 25-26/2 2016 in the Slovakia (EPP Slovenko), instructor: Ken Steen Pedersen, Ø-Vet

Course days 3+4: 26-27/5 2016 in Poland (Poldanord), instructor: Dan Bysted, Ø-Vet

Course days 5+6: 6-7/10 2016 in Lithuania (Idavang), instructor: Søren Thielsen, Ø-Vet

Course days 7+8: 2-3/3 2017 in the Ukraine (Halycina), instructor: Jakob Korsgaard, Ø-Vet

Course days 9+10: 1-2/6 2017 in Estonia (Ekseko), instructor: Andreas Birch, Ø-Vet

Price for course participation, meals and two overnight stays is for 5 meetings x 2 days (with 10 participants):

6.000 EURO ex. VAT i

Transport to and from the course is not included in the price and is for the participants' own account.

Further information and a more detailed programme can be obtained from:

- Ø-Vet on tel +45 5962 8931 or ken@oebet.dk

- and **Danish Farmers Abroad** on tel +45 2424 2770 or post@johanneshansen.dk

Sign-up can also be done here. It has to be done before December 14.



EU + EUROPA

Bright spots for farmland investors seen in E. Europe and Southern Africa

Although most farmland investors continue to cite Australasia as the safest global haven for land investors, many increasingly see Central and Eastern Europe as an attractive alternative, based upon established benefits from EU membership and highly competitive land prices.



For example, average farmland prices are between €10-15,000 per hectare in Poland, and €2-6,000 per ha in Romania, while in the UK and Germany they range between €22-25,000/ha.

Speakers at the Global AgInvesting summit in London said there were significant opportunities for increased productivity and higher crop yields, more strategic investment in infrastructure, and further consolidation of small holdings to boost earnings and longer-term profitability.

Similar opportunities and challenges can also be found in the Ukraine. Several delegates expressed disappointment that the pace of political reform and an end to corruption had been sclerotic so far, making investment riskier. Also land leasing and ownership legal reforms are no further forward, with more pressing financial and military matters much higher up on the daily agenda.

Perceptions challenged

Africa also continues to challenge the farmland investment community, although bright spots are seen particularly in Southern Africa. However, at a roundtable held after the first day of the seminar, several African delegates expressed alarm at many continuing negative perceptions of the continent, and the highly risk-adverse nature of institutional investors to much of sub-Saharan Africa.

As in the Ukraine and Russia, infrastructural issues can scare off potential investors, but of course these can also provide a longer-term opportunity for the installation and upgrade of road, rail, ports, and farm machinery, as well as power and bulk water supplies.

And although the African middle-class may not be growing as fast as some economists had previously forecast, the rapid rise of daily rice consumption, and convenience and packaged foods such as rice and chicken in Nigeria are a strong example of this trend. More retailers are opening

chains across the continent, such as ShopRite, while Kellogg and Land O'Lakes are also expanding their African presence, even if Nestle has cut its presence in some countries.

Elsewhere, countries such as Angola and Namibia are trying to boost local food production and also diversify away from supermarket shelves stacked full of imported goods. Examples include potato and onion growing in Angola, USDA grade beef exports from Ethiopia to the Middle East, and fruit production destined both for domestic consumption and export in Swaziland and South Africa by

Source: Agrar Europe – December 4, 2015

Spain:

Spanish Pork Exports Continue to Increase

Spanish pork exports in the first nine months of 2015 increased by 17 per cent year on year, totalling 890,800 tonnes setting yet another record.

Exports have been running consistently higher throughout 2015. The considerable investment taking place in the Spanish pig industry is resulting in large increases in domestic production which in the first nine months of 2015 was up 8 per cent on a year earlier and amounted to just under 2.9 million tonnes.

Intra EU trade increased by 13 per cent between January and September.

France, the largest market, recorded an increase of 7 per cent with the majority of pork going for further processing.

Exports to Italy and Portugal were up from the previous year, by 9 per cent and 6 per cent respectively, in contrast to a 9 per cent reduction in shipments to Germany.

Strong growth though was recorded in trade to Spain's smaller markets in East Europe with shipments to Poland, Bulgaria and Romania all being up by 40-50 per cent year on year.

Trade outside of the EU remained a strong growth market for Spain, with demand amongst some Asian markets increasing sharply.

Spanish pork destined for China increased throughout 2015, with volumes increasing by two thirds compared to 2014.

Purchases from South Korea also recorded an increase, of 40 per cent. In contrast volumes to Japan were down by 6 per cent.

Domestic demand in Japan remains subdued, along with the steady rise of production which is reducing import demand.

The unit price of Spanish exports for the first nine months of 2015 fell by 9 per cent compared to the previous year given both the weaker EU and global market in 2015. However, there was an increase in the total value of exports, up by 6 per cent to €1.95 billion, given the large growth in volumes shipped.

Source: Pig Progress – December 4, 2015

Serbia:

China opens market to beef from Serbia

Serbia has joined the select ban of countries authorised to export beef to China – a development that could further limit the country’s interest in supplying meat to the Russian market.



Chinese and Serbian officials signed an agreement last week, that lays down the veterinary requirements for frozen beef.

In a statement, China’s state quarantine service AQSIQ said the protocol would help build on already strong trade relations, while ensuring the “health and safety of Serbian beef on the tables of Chinese consumers”.

Serbian Prime Minister Aleksandar Vucic welcomed the move, but said the challenge now would be to increase the amount of beef available for export.

Beef imports into China have surged in recent years, although only a small number of countries have so far been able to benefit. Around 90% of the country’s beef imports were supplied by just three countries in 2014 – Australia, Uruguay and New Zealand.

Argentina, Brazil and Costa Rica have also started to make inroads but product from the US and EU is yet to be authorised by the Chinese authorities.

Serbia will only be in a position to supply small volumes of beef to the Chinese market as most of the country’s production is consumed domestically. The country was expected to benefit from Russia’s ban on key Western suppliers – in place since August last year. Any gains have in fact been limited by a combination of supply constraints and Russia’s economic problems. As a result, most Serbian beef exports continue to go to Montenegro, Italy, Macedonia and Bosnia & Herzegovina

Source: Agrar Europe – December 4, 2015

Ukraine:

Ukraine builds business in markets of Sub-Saharan Africa

Ethiopia is not among the largest buyers of Ukrainian grain. However, it belongs to Sub-Saharan region, which is considered to be the most promising region after Asia. Currently Ukraine supplies wheat, peas and sunflower oil to Ethiopia.

During the first 4 months of this season at least 45 KMT of wheat were shipped to Ethiopia, which is already close to the level of the whole season 2014/15, when exports amounted to 50 KMT.

Increase of shipments was primarily caused by crop failure in the country due to unfavorable weather conditions.

This season supply of wheat will be particularly important, taking into account the fact that the country lost more than half of its own crop due to El Nino.

Please, read about prospects of Ukrainian wheat export to Ethiopia in the [full version](#) of the article that available in the weekly market report by [UkrAgroConsult](#) “[Black Sea Grain & Oil.](#)”



Source: [Black Sea Grain – December 5, 2015](#)

Southeast Asia increases purchases of Ukrainian wheat

In October 2015 exports of wheat from Ukraine reached 2068.5 KMT. This is 20% more than exported in October 2014. During four months of the current season Ukraine shipped abroad 18% more wheat than during the same time last year.

This season the countries of Southeast Asia have gained ground among importers of Ukrainian wheat. During first four months of the 2015/16 season Thailand purchased over 1111 KMT of

wheat from Ukraine (nearly 15% of the overall wheat exports from Ukraine this season), compared with 475 KMT during the entire season 2014/15 (4.5%). Having imported more wheat than Egypt and EU, this country became the largest buyer of Ukrainian wheat in the reporting time period.

Indonesia has also increased purchases of Ukrainian wheat. The country imported about 614 KMT in July-October of season 2015/16, compared with 220 KMT during the whole 2014/15 season. Vietnam and Malaysia are also among largest importers in the current season.

Source: Black Sea Grain – December 5, 2015

Russia:

Russia imports less and less pork

Russia continues to decrease the volume of pork imports. Between January and September 2015 pork imports amounted to 237,200 tonnes, which is 24.3% less than in the same period in 2014,

according to data provided by the Federal State Statistics Service in Russia.

While imports are decreasing, domestic production capacities in Russia keep increasing.

According to official data, on October 1, 2015 the number of pigs in all categories of farms in Russia had grown to 22.248 million heads. This is an increase of 7.4% in 2015.

On smaller private farms the pig population continues to decline, however, mainly because of the recent outbreaks of African Swine Fever (ASF). But the large industrial farms in Russia have grown their stock to a total of 1.827 million heads, an increase of 11.5%.

The total volume of pork production in Russia between January and September amounted to 1,991 million tonnes in slaughter weight or 2,727 tonnes million in live weight. This is 4.8% or 91,700 tonnes more pork in slaughter weight than was produced in the same period in 2014.

Source: Agrar Europe – December 4, 2015

Axzon resumes pig farming in Krasnodar Krai

The Danish company Axzon Group will resume producing pigs on its complex Dan Cube in Krasnodar Krai (also known as Kuban), in southern Russia at the shores of the Black Sea. The farm, located in Krasnoarmeysk district, was closed as a result of the African Swine Fever epidemic, local authorities reported.

Full-cycle pig breeding complex

Dan Cube, a full-cycle pig breeding complex was built in Kuban in 2010. The capacity was 60,000 heads of finishers per year with 2,600 sows. In 2012, the farm was closed due to the ASF outbreak and the farm was depopulated.

In October of this year, the farm complex was reopened; the farm already purchased 1,759 sows.

Producing at a place where there is a market

Tom Akselgaard, head of the holding, told Kuban governor Veniamin Kondratyev, "The first thing we need is to restart the pig farm for 2,500 sows. This is not enough, however, there are plans to increase the number to 10,000 sows, which will give us 30,000 tonnes of pork a year. I believe that we should produce at the place where there is a market, resource base and workforce."

Source: Pig Progress – December 1, 2015

Russia to Import Israeli Poultry Products

As the boycott on EU products continues, Israel's agriculture ministry has said that Russia has agreed to imports of Israeli poultry products following four years of negotiations.

Minister of Agriculture, Uri Ariel, said: "I see great importance in expanding exports of Israeli poultry to Russia. It expands and deepens the agricultural cooperation between the two countries, thereby strengthening the Israeli economy. This is yet another example of government action to open exports to other countries in light of the EU boycott."

After a lengthy four year period of testing procedures, Russia has approved the import of poultry products under the supervision of the Veterinary Services of the Ministry of Agriculture and Rural Development of Israel. Russia now joins many other Western countries to which Israel is authorised to export animal products, including the US, Canada, South Africa and the 28 countries of the European Union.

The Russian Veterinary Services have been evaluating their Israeli counterparts over the past four years.

As a part of the tests, the Russian Veterinary Services examined the Ministry of Agriculture's supervision process over the production of chicken products, and its compliance with Russian export requirements. Food safety and hygiene, facilities and equipment, and production control systems were some of the aspects most closely scrutinised.

Like Israel, Russia sees the advantages of imports which at the same time pose a potential risk of introducing animal diseases, which could also potentially be harmful to humans, into their country. Therefore, imports of such products involve a testing process to map the risks associated with importing. The tests examine aspects of animal diseases as well as those of public health in the country of origin.

According to the Ministry of Agriculture, Israel annually exports 2,271 tons of processed poultry products to Europe, 1,045 tons to the United States and Canada, and 9 tons to South Africa.

Dr Shlomo Garazi, Chief Import-Export Veterinarian in the Ministry of Agriculture and Rural Development's Veterinary Services commented: "Russia's decision to approve the import of Israeli products is a badge of honour for our local supervision, proving once again the quality of the meticulous tests performed daily by our Ministry personnel.

"Foreign trade is very important, both for Israel's economic development as well as for its worldwide reputation, given the quality of its products."

Source: Black Sea Grain – December 4, 2015

Asia:

Vietnam:

Vietnam could emerge as world's largest corn importer

In the last 10 months Vietnam's corn imports surged 56% to 5.72 million tonnes, worth USD 1.26 billion, compared to the same period last year. If imports continue to grow as strongly Vietnam could become the world's largest corn importer, Pham Quang Dieu, Vietnam Market Analysis and Forecast Joint Stock Company (Agromonitor) told a conference recently.

Most of the imports come from Brazil (53%) and Argentina (42%). Vietnam needs more than 27 million tonnes of feed for livestock and aquaculture sectors a year. The Vietnam Feed Association said demand for animal feed is expected to rise in the coming years.

Source: Black Sea Grain – December 4, 2015

E.U., Vietnam complete trade negotiations

The European Commission President Jean-Claude Juncker and the Vietnamese Prime Minister Nguyễn Tấn Dũng announced on Dec. 3 that they had officially concluded negotiations on a Free Trade Agreement (FTA) between the E.U. and Vietnam. The agreement will give the E.U. access to one of Asia's most promising markets. Vietnam is a fast growing economy and became a World Trade Organization (WTO) member in 2007. With its 90,000,000 inhabitants and growing middle

class, it arises as an interesting market for E.U. exporters.

"This is a good deal for the European agri-food sector which will open up significant export opportunities for our farmers and agri-businesses," E.U. Commissioner for Agriculture and Rural Development Phil Hogan said. "Vietnam is an important emerging economy, and increased trade will benefit both sides. Our world-renowned E,U, Geographical indications will enjoy a high level of protection through the agreement."

Source: Black Sea Grain – December 7, 2015

China:

Chinese move on pork hailed in Northern Ireland

China has provisionally approved imports of pork from Northern Ireland – a move the industry says should help offset some of the problems caused by Russia's ongoing embargo.



Agriculture Minister Michelle O'Neill said China's certification agency, the CNCA had announced its intention to approve two Northern Irish plants subject to them completing some remedial actions identified in an audit earlier this year.

In a statement, the minister said she was hopeful China would also approve the import of pig trotters and other pigmeat products not widely consumed on the domestic market. "This will add value to the carcase for producers and processors alike," she explained.

The Ulster Farmers' Union said new export opportunities in China would provide a 'major boost' to the local pigmeat industry.

“They are particularly welcome when volatility caused by a number of factors, but mainly the Russian import ban, has hit prices. Farmers urgently need to see margins improve and part of the solution is speedier access to new export markets,” said UFU deputy president Ivor Ferguson.

He added that the opening of the Chinese market sends an important signal to others about the quality of pigmeat produced in Northern Ireland.

The ministry said China is expected to become the world's leading consumer of pigmeat on a per capita basis, surpassing the EU, by 2022.

Source: Agrar Europe – December 4, 2015

THE NEW FIVE-YEAR PLAN 2016-2020

By. Poul Jacob Erikstrup, Minister Counsellor, Danish Embassy Beijing

In 2030, 7 pct. of the population will produce foods for 85 pct of the Chinese population. This is a statement from Zou Lixing, a research official with China Development Bank, and is one of many comments on the proposal for the new five-year plan, which will be approved in spring 2016.

To realize this figure, Chinese agricultural production will be facing huge demands for modernization in the coming 15 years. Today, almost half of the population are living in rural areas, and are involved or depending on agricultural or food production.

The upcoming five-year plan is expected to build up farming at industrial level. The large size farming is seen as the most cost efficient way to modernize farming production and at the same time to be able to take care of a lot of the environmental challenges for the production. The use of water resources and waste handling will further be in focus for improved ways of farming.

The government will use a number of tools to reach the target. One of the tools is to allow the use of contracted land as collateral for bank loans. This will provide capital for investments in agriculture.

There will be allocated special loans for development of agricultural projects, where small loans (up to 100.000 CNY) will be available at discounted rates for small farmers. Big companies are expected to operate on normal banking terms.

The upcoming reduction in the number of farmers is a challenge for the government to handle. A lot of families are depending on family farmland. Today there is a challenge to keep the young generation interested to continue in farming, which are normally done by none-educated people. The next generation is better educated and want to utilize that city environment to provide better salaries and living conditions. A large part of the reduction of farmers is foreseen to come from retirement of a lot of farmers in the 15 year period.

It is also foreseen that more than 300 million people will have to urbanize in order to make room for industrial farming, which is a big challenge for the government to move this amount of people from their historical based living places to new environments. At the same time it is important to attract

educated people for the farming in the new concept. Also, there is no real organized education of farmers who are expected to manage farms at industrial level. There is a number of university educations, which educate specialists within agriculture, but only few are educated in implementing practical farming.

The environmental impact of the agricultural production will be in focus, starting with the water resources. Chinese agriculture uses large amounts of water in production and it will be a target to reduce water consumption as well as contamination of waters caused by agricultural productions. Better waste handling methods is expected to be one of the proposed solutions for reducing contamination of water environments.

Another important target for the upcoming fiveyear plan is to ensure food safety. The new China Food Safety Law was implemented the 1st of October 2015. To succeed with the implementation of the law, all elements in food production has to be involved. The responsibility of the primary farming is placed at the Ministry of Agriculture. China Food and Drug Administration will be responsible for the food safety within processing in China while General

Source: Danish Embassy in Beijing – December 4, 2015

South America:

Uruguay:

Uruguay secures beef trade breakthrough in Russia

Uruguay and Russia have signed a new agreement on beef that could help reverse recent declines in trade and help the South American country regain lost market share.

In meetings last week, officials from the two countries agreed on a new protocol for high quality beef – potentially clearing the way for more Uruguayan product to enter Russia at a reduced tariff.

The agreement no longer stipulates that high quality beef has to come from cattle exclusively raised on grass. Instead, it allows for some flexibility on how animals are fed – particularly in the final 100 days before slaughter.

Russia has steadily been losing importance as a buyer of Uruguayan beef in recent years as exporters focus on selling to higher paying markets elsewhere. When Russia closed its market to beef from the US, Canada, EU and Australia in August 2014, analysts expected Uruguay to be one of the countries to benefit. In reality however, the country has seen sales fall even more dramatically – partly due to Russia's economic problems which have limited its ability to pay for higher-value products.



Thanks to the new protocol, Uruguayan beef should become more affordable to Russian consumers as the HQB definition allows it to enter the country at a reduced 15% tariff and be outside the quotas set for standard beef imports.

As well as beef, Uruguayan livestock minister Tabaré Aguerre said the two sides had made progress on other areas of interest to exporters. He confirmed plans for Russian inspectors to visit Uruguayan dairy plants and said Moscow had also shown an interest in buying live cattle as it looks to improve the quality and productivity of its own herd.

Just three years ago, Russia was the leading buyer of Uruguayan beef – bringing in 66,000 tonnes worth more than US\$250 million in 2012. China's emergence as the top buyer saw it bring these kind of volumes last year (65,000t worth US\$270m), while Russia's offtake slipped to just 24,000t. The decline in Uruguayan beef sales to Russia has become even more pronounced in 2015 – slipping to just 6,000t in the year to August. This represents less than a tenth of the volume shipped to China in the same period – up 69% on year at 75,000t.

Source: Agrar Europe – December 4, 2015

Argentina:

Argentina's new Agriculture Minister confirms plan to scrap grains tax

Argentina's new designated Agriculture Minister Ricardo Buryaile has confirmed that the country will abolish taxes on maize and wheat, while reducing the export tax on soy by five percent, it has emerged.

New Argentinian President Mauricio Marci named the former landowner's leader Buryaile the country's Agriculture Minister late last week.

In an interview with the Argentinian daily Clarin, Buryaile said that "the wheat and maize taxes will be eliminated from the first day [of the new government], in line with what we promised".

“The tax on soy will drop by five per cent from the start of Mauricio Macri’s term. What we are examining is which methodology we will use,” he added.

Argentina is the world’s third largest grower of soy, after the US and Brazil, but producers currently pay a 35% tax on global exports. Maize producers currently pay a 20% tax while wheat producers pay 23%.



The Conservative Macri will succeed the incumbent Cristina Fernández de Kirchner as Argentina’s President on December 10, after winning the Argentinian election on November 22. Apart from eliminating the grain export taxes, many are calling his victory a boon for the prospects of an EU-Mercosur free trade agreement in the near future.

Source: Agrar Europe – December 4, 2015

Brazil:

RF Acquires Argentinian Hog Business

BRAZIL - BRF has announced it has signed a binding offer to acquire Dutch company Eclipse Holding Cooperatief, which operates Campo Austral, for \$85 million.

Campo Austral has fully integrated hog business operations in Argentina, including the cold cuts market.

The acquisition is part of BRF’s strategic plan of globalizing the company, accessing local markets, strengthening its brands and for the increased distribution and expansion of its product portfolio around the world.

Source: Agrar Europe – December 7, 2015

Japan lifts ban on Brazilian processed beef

Japan has lifted a three-year ban on imports of processed beef from Brazil - the last remaining restriction imposed in the wake of an 'atypical' case of bovine spongiform encephalopathy (BSE) in the South American country.

While Brazil has never been hit by a classical case of BSE – commonly linked to contaminated feed – an atypical case was belatedly revealed in December 2012, prompting several countries to impose restrictions on Brazilian beef.

Brazilian officials have since successfully pushed for an end to these bans – most recently in Saudi Arabia – arguing that isolated atypical BSE cases do not justify curbs on trade.

In an announcement today (December 7), the Brazilian agriculture ministry confirms the reopening of the Japanese market to thermoprocessed beef, and suggests the decision could also aid negotiations for an end to Japan's long-standing ban on imports of fresh/frozen product.



Brazil exported just over 100,000 tonnes of processed beef last year – generating some \$620 million. Some 36% of this total went to the US with a further 25% going to the UK. In the year leading up to the BSE-related ban in 2012, Japan took less than 2% of all the processed beef exported by Brazil.

Japan is one of the world's largest importers of beef however – making it a prime target as Brazil looks to negotiate market access for fresh/frozen product.

Source: Agrar Europe – December 7, 2015

USA:

Big US farm owner sets sights on foreign land purchases

Farmland Partners, which has grown in less than two years into one of the biggest US farmland owners, is preparing for acquisitions abroad, amid a drive to increase its assets to some \$2bn over the next five years.

The Colorado-based company - which has expanded its portfolio from a little over 7,000 acres at its flotation in April last year to more than 100,000 acres including a \$31.8m acquisition this week – said it would continue to focus its expansion in the US.

With some \$30bn of US farmland changing hands each year, "there is no limit to the scale we can achieve" in the country, Paul Pittman, the Farmland Partners chief executive, said.

However, it is intending expand abroad too, in an attempt to diversify its portfolio, and is already keeping a close eye on the Australian market, Mr Pittman told Agrimoney.com.

Australia appeal

A primary criteria for countries on the short-list for investment is "iron clad property rights", Mr Pittman said.

However, Australia in particular looks appealing as a "big market", offering easier scope for purchases, and thanks to its proximity to Asia, a key importer of agricultural commodities.

Australia, a major exporter of the likes of wheat, beef and wool, is "probably the geography best placed for benefiting from Asian demand growth," given its proximity to importing countries such as China and Indonesia.

While Farmland Partners' land portfolio is currently confined to cropping farms, Mr Pittman said that "we will probably try to work out some way to get into protein" to exploit Australia's pre-eminence in meat exports.

Other targets

Indeed, Mr Pittman stressed the "diversification" that buying abroad would give Farmland Partners, although acknowledging the climatic risk that has historically dogged much Australian farmland.

"We would be looking to buy in the wet quadrant of the country," he said, adding that there was "a lot of irrigated land", and with Australia boasting a "very transparent" water market.

Other target countries could include New Zealand, although this is "obviously a much smaller market" than Australia, and Canada.

However, "we do not get a large diversification away from the US" by buying in Canada, Mr Pittman said, on the sidelines of the Global AgInvesting conference in London.

'Yield too low'

Mr Pittman said that the group was expecting to expand abroad "some time in the next two to four years".

Not Europe:

However, Farmland Partners will not be looking for acquisitions to Western Europe, despite the region's strong record on property rights, because of the high price of land, inflated by non-agricultural factors.

"You get things like population density coming into play, or in the UK some inheritance tax planning," with British farmers allowed to pass on their holdings tax free, a perk seen as supporting prices beyond levels justified by agricultural dynamics alone.

"The yield available in Western Europe is just too low," Mr Pittman said.

"It is less than 2% in the UK," with the Farmland Partners cost of capital "too high" to make such investments viable.

The group's business model relies on buying land for renting out, rather than farming the plots itself - allowing it to exploit yields and capital appreciation, but without assuming the risks, such as weather, inherent in agricultural production.

Farmland Partners rates itself as one of the top 20 US farmland owners, by value, and particularly strong in the Midwest, which Mr Pittman termed the "Park Avenue of farmland".

Source: Black Sea Grain – December 7, 2015



