



Why It's a Good Time to Invest in Farmland

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FOREWORD

For more than 7 years, we have come to understand the benefits of having this asset class in a modern and diversified portfolio. Farmland has generated superior returns historically for us and other investors and is an attractive investment for most portfolios but we understand problem-free farmland can be very difficult to access.

Over 50% of all farmland in Nigeria is owned by families with historical unresolved conflicts or unpaid debts. Farmland purchase just like any other real estate property requires an intensive and thorough due diligence.

With Hastom Properties, you can now own acres of problem-free farmland in South western states in Nigeria and sleep better at night knowing that your capital is safely parked in a secure, vetted farmland property.

Why Farmland



1. They are not making anymore land:

- More importantly, buy farmland. It's safe to say that farmlands of yesterday are the towns and cities of today. With an exploding population in a place like Nigeria, a lot of rural places would become new towns and even cities in 10 to 30 years.:



2. Demand for food:

- As the supply of arable land continues to decrease and the global demand for food increases sharply in the coming decades, basic economics suggest the value of farmland would also increase significantly.

Why Farmland



3. Hedge against inflation

- Farmland over the years has proven to be an ideal hedge against inflation. It's a real asset that generates stable returns, and average appreciation rates globally have outstripped inflation by over 2%. In fact, farmland tends to appreciate more when inflation is higher, making it the perfect way to protect your wealth

4. Low volatility:

Unlike the stock market, gold and cryptocurrency, farmland is an extremely low-volatility asset. It is particularly valuable in periods of financial uncertainty. In periods of economic adjustment, the asset, unlike others, has proven to be extremely resilient, outperforming all other assets classes.

5. No relationship with stock market

- In addition to low volatility, farmland returns also move independently of the stock market. In fact, farmland historically has no relationship with stock market returns this suggests farmland is a great diversification tool.

Owning Farmland

Asides being a hedge against inflation, owning farmland could earn you annual harvest returns or annual charges from farmers that rent to farm while the land appreciates overtime.

Investing in farmland benefits the investor more than just in financial gains. An investment in agriculture has social and economical benefits that include keeping farmers in the business of farming, keeping the world fed and clothed, bringing jobs and success to a community and supporting family businesses.

Farmland being a tangible asset can also benefit generations to come. Since agriculture investments are long term and will appreciate indefinitely, they can be set up to be kept in the investor's family and passed down to future generations and can also bring a family together, not to mention provide the owner(s) with significant sentimental value as an heirloom.

Risk

As with any investment, buying farmland directly carries unique risks, such as acquiring government committed lands, lands that have been used to offset debts, or lands that have historically unresolved conflicts etc, some which can be significant and lead to losses.

Thankfully, the risks can be avoided with the right steps from the beginning. It is important that before you go into a purchase contract with an agent or company, you run a background check or do your due diligence to avoid stories that touch. Going for physical inspection and also processing of the necessary legal documents (receipt, deed of transfer, survey and C of O).



Interesting facts about farmland



•Nigeria has an arable land area of 34 million hectares.



•A large chunk of farmland has been lost to development and more will still be lost to development in the coming years.



•The likes of Bill Gates, Jeff Bezos and Thomas Petterfy amongst other ultra wealthy individuals are the largest private farmland owners in the USA.



•The United States has the most arable land in the world followed by India, China, Russia & Brazil.



•Former Presidents of Nigeria, Olusegun Obasanjo and Gen. Abdusalam Abubakar and former Governor of Oyo State, Rasheed Ladoja, are amongst the largest farmland owners in Nigeria.

Farmland has proven to be a great hedge against inflation, reliable capital appreciation, and an avenue to generate income streams from harvesting crops. It has proven to be a stable asset historically, providing diversification to a traditional asset/investment portfolio with its uncorrelated returns. Diversification is critical for reducing investment portfolio volatility and building wealth over the long term.

Investors are increasingly turning to alternative investments to provide this diversification, to include collectibles, commodities, cryptocurrency, real estate or farmland, especially during threats of a recession. With an ever-increasing global population and demand for food, farmland offers a truly unique investment opportunity with guaranteed capital appreciation overtime.

However, a direct purchase in farmland has to be viewed as a long term investment and never as a quick cash flip scheme. Our best recommendation is to work with a partner who has proven success in managing and investing in farmland

Hastom properties having started out as Hastom Global services has over 8 years experience in farmland acquisition and sales can guarantee you that assurance you need to become a farmland owner today.

QUESTIONS?

READ OUR FAQs

OR

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