

A Global Agricultural Investment Comparison



2013 Edition

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INTRODUCTION

In recent years, global farmland investing has become a hot topic. Although still classed as an 'alternative' investment, perhaps an odd concept for something as fundamental as land and food, farmland is becoming increasingly recognised as a desirable, if not essential, component of multi-asset portfolios.

The investment thesis is compelling. Not only is there a finite global supply of land, but also the amount of useable land is decreasing at an alarming rate through desertification, urbanisation and other factors. Estimates vary but typically quote an area about the size of Greece being lost every year. Meanwhile the population is increasing, from just 3bn in 1960 to 7bn in 2013, and a projected 9bn in 2050. The amount of arable land per capita is now less than half what it was in 1960, and a billion people do not have enough to eat. Add demand for biofuels and changing eating habits in the developing world, and it becomes obvious that the supply/demand balance is only going one way.

There has been some long-standing institutional interest in farmland. In the UK, for instance, many of the Oxford and Cambridge colleges, and the Church Commissioners, have held long-term farmland investments, and some of the large US investors such as TIAA-CREF have made significant allocations. Globally, the total amount of institutional money in farmland is estimated at \$30-40bn, and rising. Farmland in developed markets has performed very well, better than other asset classes over most timescales, and there is no sign that this is going to change. Even better opportunities may exist in emerging and frontier markets, although these may carry a higher degree of risk. Farmland is rightly seen as a very good uncorrelated portfolio diversifier but it is illiquid and needs careful asset and manager/operator selection, wherever the land is located.

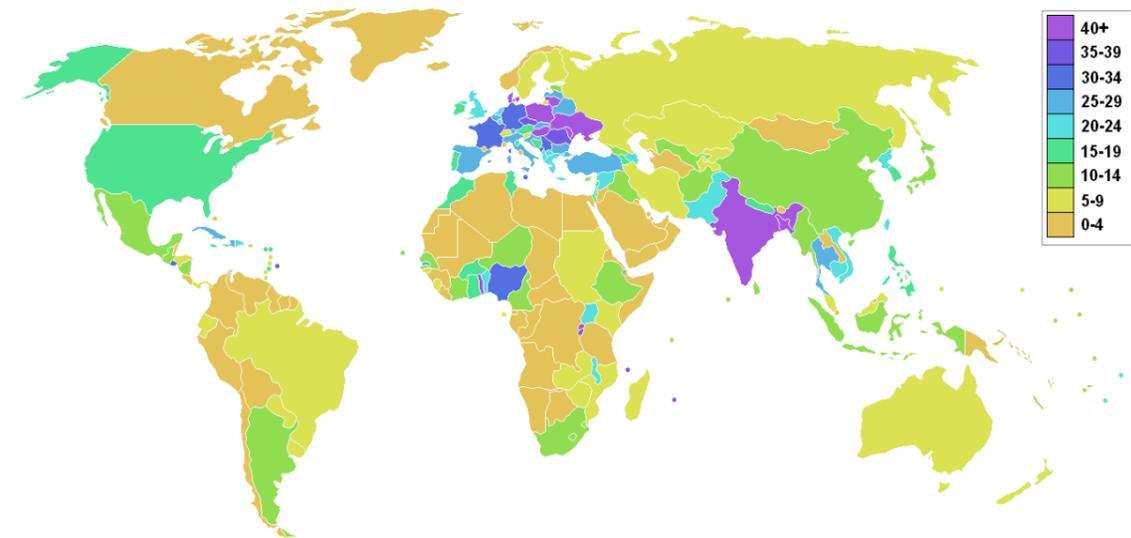
The interest in agriculture has featured in the popular and financial press, and not always kindly. Hedge fund speculation in food commodities has been criticised for its perceived effect on food prices. Some large transnational and government land deals, like the one which is credited with bringing down the Madagascar administration, have brought accusations of 'land grabbing' as investors grow food to ship home at the expense of the indigenous population being displaced. Sadly, journalists do not always differentiate between this type of headline case and those investments seeking to improve poorly performing farms, with proper environmental and social governance, for the benefit of local communities, the country and the world's food supply. Nor do they always identify the differences within regions – Eastern Europe often being considered homogenous although there are huge differences between Russia/Ukraine and the new member states of the EU.

The simple fact is that in many parts of the world there is a desperate shortage of skills and capital. The right investments can be socially and environmentally beneficial, and profitable, taking advantage too of favourable tax treatments, grant aid and other incentives.

There are other ways to gain exposure to the sector, most commonly by investing in other parts of the supply chain. These may have the benefit of trading platforms but they can be volatile and are unlikely to provide opportunities to add value.

There are many variations too within pure farmland investment. Some countries restrict foreign ownership or simply do not have a freehold land market. Different regions and countries within these regions offer different opportunities and different levels of operational and investment risk. Then there are the choices between livestock or permanent or annual crops, staple products like cereals and potatoes, and more specialised and discretionary products. Do you try to find tenants or take control of operations? Do you want revenue or capital appreciation, or both? What are your return expectations and for how long do you plan to hold the asset? The list goes on.

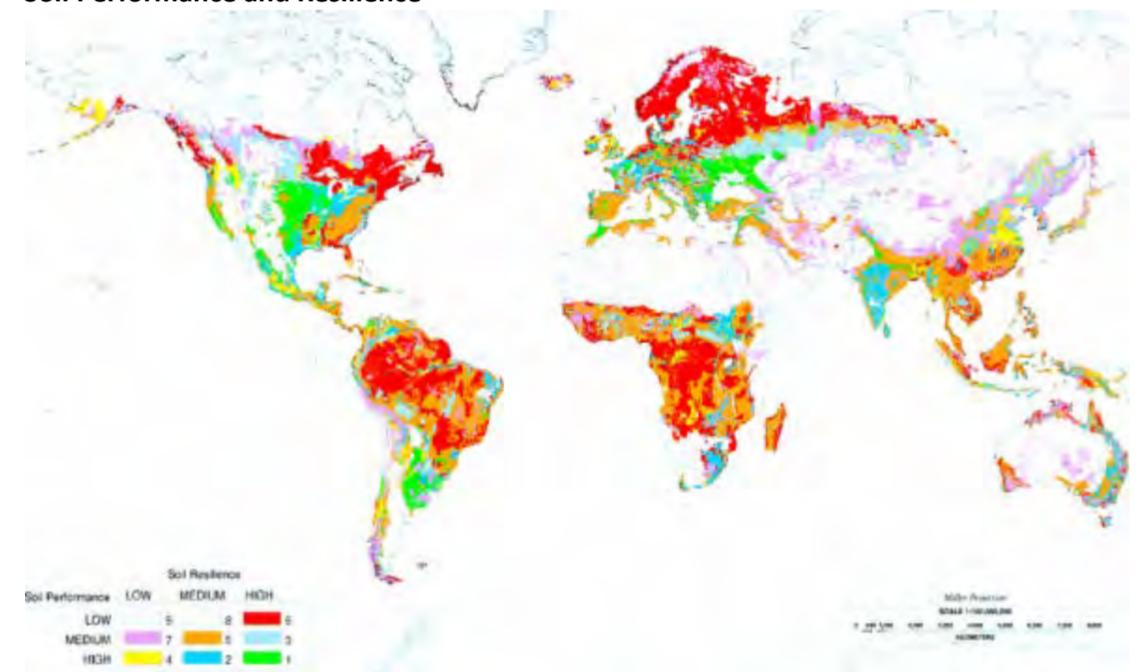
Around 29% of the surface of the earth - 149 million km² - is land. About one third of the land area, or 10% of the total surface area, is classified by the Food and Agriculture Organisation of the UN as agricultural, and this is further divided into arable land used for annual crops, land under permanent crops and permanent grassland. India and countries in Central and Eastern Europe have the highest concentrations of arable land.



Percentage of arable land by country (CIA)

Land quality also varies globally. The largest concentrations of the most productive and resilient land are in Argentina/Uruguay, the US mid-west and Central and Eastern Europe. Smaller pockets exist elsewhere.

Soil Performance and Resilience



World soil map (USDA Soil Survey Division)

The proportion of the world's population living in urban areas, and thus reliant on others to produce their food, rose from 48% in 2003 to 52% in 2011, a trend which continues.

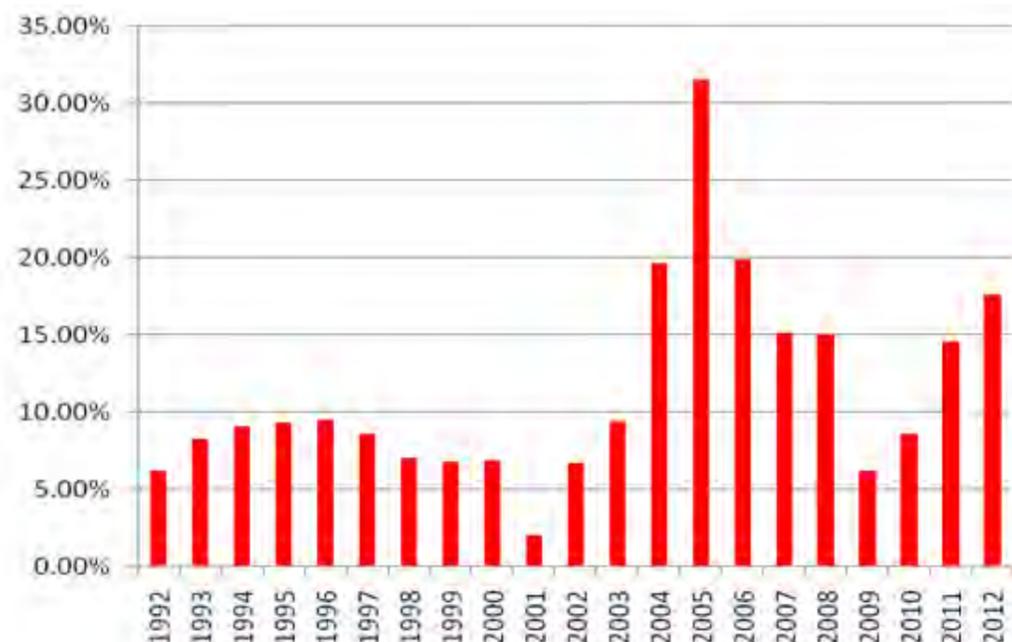
The amount of arable land per capita has fallen from 0.5ha in 1950 to 0.2ha in 2013. During the same period, improved technology has resulted in global food production increasing by a similar amount, although there is now an overall decline in output per capita. There is still some undeveloped land which could be brought into commercial production but most of it is in parts of sub-Saharan Africa and Latin America where soils and infrastructure are generally poor. Pockets do exist elsewhere, such as in Eastern Europe where post-communism land reforms led to large areas being split up into unviable plots, and where there are opportunities to rebuild large commercial units at relatively low cost.

Globally, it is estimated that agricultural land to the value of \$8.4trn is controlled by owner/operators. A further \$70-100bn is believed to be owned by non-institutional investors and \$30-40bn by institutions, mainly pension funds. The amount of land under the control of investors is steadily increasing – UBS Warburg estimated the value at \$4.7trn in 2002. Deutsche Bank reports that 83m ha of land in developing countries, two thirds of it in Africa, has been bought by foreign investors since 2000.

Land values have also increased. Savills reports a five-fold increase in average global farmland values from 2002 – 2010, with the greatest increases seen in Central Europe.

Farmland has performed well against other asset classes. In the USA, the National Confederation of Real Estate Investment Fiduciaries (NCREIF) publishes the annual performance of let farmland. Comparing this with other investment asset classes shows that farmland out-performs most of them over most timescales. UK data is available from IPD, and this shows similar results, although the data is not directly comparable as it includes non-agricultural elements. UK land prices continue to increase, with capital growth providing the main returns element.

Annual Returns from US Farmland



Mintridge chart based on NCREIF data

The risk/return profile of US and UK farmland also compares very favourably to other types of investment.

This paper seeks to provide a global comparison between direct farmland investments in the main regions and countries of interest. It has been prepared using data from a variety of sources and is believed to be correct at the time of publication. Where available, we have relied on published data from government and other reliable sources, including FAO, UNECE, CIA, World Bank and similar institutions, although in some cases we have found discrepancies due to different methodologies. Where this is not available we have used data, anecdotal evidence and opinions from elsewhere. In most cases the same source has been used for the same statistical category for each country. The data may have been produced using different assumptions and thus may not present strict like-for-like comparisons but we have sought to highlight these or make appropriate adjustments.

Land price data has been obtained from various sources. Where a range has been found, we have analysed the information and source, and chosen a figure which we believe is representative of large-scale freehold or long leasehold arable land in current production. Where only one figure has been found, we have quoted it if thought to be reliable, with any adjustment needed. If there is no normal land market, or no reliable data is available, we have shown no figure.

This paper has been produced as a reference source for those interested in global agricultural investment. It contains our opinions, and facts and figures which are subject to change.

EUROPE

Europe is the world's second smallest continent, yet it is also the most geographically and culturally diverse. The major powers of Europe dominated world trade and colonisation for hundreds of years, saw the start of the industrial revolution, and were also the starting point of two recent global conflicts. Whilst North America and Asia may have overtaken Europe in some sectors, and the colonies gained independence, Europe as a whole is still a major world political and economic force.

Europe stretches from close to the North Pole down to southern Spain, with just a few km of sea separating it from North Africa. The continent stretches eastwards to Asia, incorporating western Russia and Ukraine. It can be broadly considered as three zones, although the divisions between the first two are becoming less defined. The western section comprises the old member states of the EU and a few equally well developed non-EU members. In the centre are the new members and candidate countries of the EU, which are now transforming their post-communism economies and infrastructure to Western European standards, whilst to the east lie Russia and Ukraine, still struggling to emerge from the Soviet Bloc era.

Most of the continent has a temperate climate characterised by cold winters and moderately hot summers, with year-round precipitation. The west has a more moderate climate, wetter and with less defined seasons, whilst parts of the south are semi-arid and hot or warm throughout the year. The northern extremes are above the arctic circle and always cold.

There are 50 recognised states in Europe (including those which also extend into Asia) and a further five micro states. There are 27 EU members and some EU candidates. Every European state is now administered by a democratically elected government, with many retaining a non-governing monarchy. A land mass of around 10m km² and a fairly stable population of 7.4bn gives a high population density.

Agriculturally, Europe has some of the world's best soils, a high proportion of arable land and some of the most efficient and intensive agri-business sectors.





BULGARIA

SUMMARY: A southern Central European country, located between Romania to the north, Greece and Turkey to the south and the Black Sea to the east. Bulgaria abandoned communism in 1990 and joined the EU in 2007. The geography is a mixture of flat plains with good soils, mountains and rivers.

OUR ANALYSIS: A similar opportunity to Romania but with the perception of greater risk from local controls and corruption. Some of the best land in Europe is available at low prices but fragmentation is a problem. Prices are expected to continue rising towards Western European levels although there is local comment on a possible price bubble. Property rights score is poor although logistics are rated better than many countries in the region.

LAND



Land area km ²	108,560
Arable area km ² /%	32,500/29.9
Land price \$/ha	2,100
Restrictions	Personal restrictions, but farmland may be owned by Bulgarian registered companies irrespective of the ownership of the company.

AGRICULTURE

Climate	Temperate with cold, damp winters and hot, dry summers.
Main crops (by value)	Wheat, sunflower seed, milk, maize, spices, poultry, rapeseed, grapes, pigmeat and barley.
Main export crops (by value)	Wheat, sunflower seed, rapeseed, tobacco, maize, pastry, chicken, sunflower oil, sugar.
Main export markets (by value)	Romania, Greece, Turkey, Spain, Germany, Belgium, France, Italy, Netherlands, USA.

THE ECONOMY

SUMMARY: Most commercial and cultural activities are concentrated in the capital Sofia. The strongest sectors of the economy are heavy industry, power engineering and agriculture, all relying on local natural resources. Bulgaria averaged more than 6% annual growth from 2004 to 2008, driven by significant amounts of bank lending, consumption, and foreign direct investment. GDP contracted by 5.5% in 2009 and stagnated in 2010, despite a significant recovery in exports, grew by 1.7% in 2011 and around 1% in 2012.

GDP (\$m)	53,514	Inflation	4.2
GDP per capita (\$)	7,158	Population	7.4
Exports % of GDP	66.5	Unemployment %	9.6
Imports % of GDP	65.8	Average annual wage \$PPP	14,200

TAX AND SUPPORT

CAP direct payments (€190/ha in 2013). 2010 crisis aid.

Corporate Tax Rate %	10
VAT %	20
Tax Burden % of GDP	19.9
Tax Treaties	Yes

RISK FACTORS

SUMMARY: There are local suggestions of a price bubble. Overall risk score is typical of the region although the property rights score is poor. Logistics fare better.

Risk Score %	51.22	Economic Freedom Score %	65.0
Credit Rating	BBB/STA	Investment Freedom Score %	55.0
Logistic Score (% of highest)	70.7	Business Freedom Score %	73.6
Infrastructure	3.8	Property Rights Score %	30.0

DENMARK

SUMMARY: Located in Northern Europe and with a convoluted Baltic coastline and numerous islands, the former seat of Viking raiders has evolved into a modern, prosperous nation that is participating in the general political and economic integration of Europe. It joined NATO in 1949 and the EEC (now the EU) in 1973. Denmark is self-sufficient in energy and its main exports are machinery, instruments and food products. Denmark is the world's largest pigmeat exporter.

OUR ANALYSIS: Denmark operates a high technology, intensive farming sector. The government is promoting the importance to the economy of agriculture and organic farming. Land prices peaked in 2008 before falling back but are still very high.

LAND



Land area km ²	42,430
Arable area km ² /%	24,990/58.9
Land price \$/ha	25,000
Restrictions	Corporate ownership requires Land Commission permission. More than 30ha requires agricultural training.

AGRICULTURE

Climate	Temperate; humid and overcast; mild, windy winters and cool summers.
Main crops (by value)	Pigmeat, milk, beef, chicken, potatoes, wheat, sugar beet, barley, rapeseed, eggs.
Main export crops (by value)	Pigmeat, cheese, prepared foods, skins, dried milk, beer, wheat, food waste, butter.
Main export markets (by value)	Germany, Sweden, UK, Hong Kong, Japan, Italy, Netherlands, Poland, Russia, Norway.

THE ECONOMY

SUMMARY: A modern market economy with high-tech agricultural and industrial sectors, largely dependent on foreign trade. Danes enjoy a high standard of living, supported by extensive government welfare measures and an equitable distribution of income. A comfortable balance of payments surplus but dependent on imports of raw materials for the manufacturing sector. The economy began slowing in 2007 and began to recover in 2010 with real GDP growth of 1.3%. Historically low levels of unemployment rose sharply with the recession and have remained at about 8%. Denmark's fiscal position remains among the strongest in the EU with public debt at about 45% of GDP in 2012.

GDP (\$m)	333,616	Inflation	2.8
GDP per capita (\$)	59,852	Population	5.6
Exports % of GDP	53.4	Unemployment %	8.0
Imports % of GDP	48.2	Average annual wage \$PPP	37,700

TAX AND SUPPORT

One of the highest tax burdens globally. Common Agricultural Policy direct payments (€394/ha in 2013).

Corporate Tax Rate %	25
VAT %	25
Tax Burden % of GDP	48.2
Tax Treaties	Yes

RISK FACTORS

SUMMARY: The highest overall country risk score of all the countries examined for this paper, coupled with a high standard of living and equitable wealth distribution. Reliance on raw material imports may be the only issue of note.

Risk Score %	82.59	Economic Freedom Score %	76.1
Credit Rating	AAA/STA	Investment Freedom Score %	85.0
Logistic Score (% of highest)	96.6	Business Freedom Score %	98.4
Infrastructure	6.2	Property Rights Score %	90.0

FRANCE

SUMMARY: The largest member of the EU and one of the world's largest economies, France plays an influential global role as a permanent member of the United Nations Security Council, NATO, the G8, the G20, the EU and other multilateral organizations. Its reconciliation and cooperation with Germany have proved central to the economic integration of Europe, including the introduction of a common currency, the euro, in January 1999. France is Europe's largest agricultural producer and exporter, although the sector contributes only a small proportion of GDP.

OUR ANALYSIS: Opportunities for large scale commercial farming are limited. Land tenure and tax issues are complicated and the tax and inheritance regimes may be considered unfavourable. Government agency SAFER approval is needed for land purchasers and they favour local farmers. France is not an obvious candidate for foreign agricultural investment except for lifestyle reasons which, for many in the UK at least, are compelling.

LAND



Land area Km ²	547,660
Arable area Km ² /%	183,700/33.5
Land price \$/ha	7,000
Restrictions	Government agency SAFER approval is needed for land purchasers and they favour local farmers.

AGRICULTURE

Climate	Generally cool winters and mild summers, warmer in the south with occasional strong, cold, dry, north winds.
Main crops (by value)	Milk, beef, wheat, grapes, pigmeat, chicken, sugar beet, rapeseed, potatoes, maize.
Main export crops (by value)	Wine, wheat, alcoholic drinks, cheese, prepared foods, maize, pet food, sugar, chocolate, pastry.
Main export markets (by value)	Germany, Belgium, Italy, UK, Spain, Netherlands, USA, Switzerland, China, Algeria.

THE ECONOMY

SUMMARY: France has diversified economy with a large private sector and the world's third largest tourism revenues, but strong state presence in power, transport and defence industries. A commitment to capitalism with social equality is maintained by laws, tax policies and social spending. GDP contracted in 2009, recovered in 2010 but fell in 2012. Unemployment increased in 2008 and has remained above 9%. The budget deficit rose to 7.5% of GDP in 2009, falling to 4.5% by 2012, while public debt rose from 68% of GDP to 89% over the same period. Austerity measures aim to bring the budget deficit under the 3% eurozone ceiling.

GDP (\$m)	2,773,032	Inflation	2.1
GDP per capita (\$)	42,377	Population	63.1
Exports % of GDP	27.0	Unemployment %	10.6
Imports % of GDP	29.8	Average annual wage \$PPP	35,500

TAX AND SUPPORT

33.33% corporate tax plus social contribution. Overall tax is a very high proportion of GDP. CAP direct payments (€310/ha in 2013). 2009 crisis aid, subsidised loans, social payments, tax cuts, fruit and vegetable subsidies.

Corporate Tax Rate %	34.4
VAT %	20 (2014)
Tax Burden % of GDP	42.9
Tax Treaties	Yes

RISK FACTORS

SUMMARY: France is seen as more risky than many other Western European countries, although still safe compared with many other regions of the world.

Risk Score %	71.85	Economic Freedom Score %	64.1
Credit Rating	AA+/NEG	Investment Freedom Score %	65.0
Logistic Score (% of highest)	91.2	Business Freedom Score %	84.0
Infrastructure	5.6	Property Rights Score %	80.0



GERMANY

SUMMARY: Germany is the fourth largest EU country by size and has the largest population. It stretches from the North Sea and the Baltic in the north to the Alps in the south and is traversed by some of Europe's major rivers. Politically it is a federal republic. After the Second World War the country was divided into the democratic West and the Communist East (German Democratic Republic) until reunification in 1990. Germany is one of the cornerstones of the EU.

OUR ANALYSIS: German farming is efficient, with a focus on livestock, and exports mainly to other EU members and Russia. Land prices are, however, about double those in neighbouring Poland and average wages are around three times as high. Whilst Germany is a low-risk investment environment, it is not seen as an obvious candidate for investment in agriculture.

LAND



Land area km ²	348,570
Arable area km ² /%	118,750/34.1
Land price \$/ha	15,000
Restrictions	Ministry approval required for some transactions. Neighbouring farmers may be given pre-emption rights.

AGRICULTURE

Climate	Temperate and marine, cool and wet with occasional warm mountain winds.
Main crops (by value)	Milk, pigmeat, beef, wheat, potatoes, chicken, sugar beet, rapeseed, grapes, turkey.
Main export crops (by value)	Cheese, tomato, prepared foods, chocolate, pigmeat, pastry, wheat, soft drinks, alcoholic drinks.
Main export markets (by value)	Netherlands, Italy, France, Austria, UK, Poland, Belgium, Spain, Denmark, Russia.

THE ECONOMY

SUMMARY: The largest economy in Europe and the fifth largest in the world in PPP terms, Germany is a leading exporter of machinery, vehicles, chemicals, and household equipment, with a highly skilled labour force, but faces demographic challenges to long-term growth. Reforms launched by the government of Chancellor Gerhard Schroeder (1998-2005) contributed to strong growth in 2006 and 2007 and falling unemployment. GDP contracted 5.1% in 2009 but grew by 3.7% in 2010, and 3.0% in 2011, before dipping to 0.9% in 2012 - a reflection of the eurozone financial crisis and the financial burden it places on Germany as well as falling demand for German exports.

GDP (\$m)	3,600,883	Inflation	2.3
GDP per capita (\$)	44,060	Population	81.8
Exports % of GDP	50.2	Unemployment %	5.5
Imports % of GDP	45.1	Average annual wage \$PPP	39,100

TAX AND SUPPORT

15% corporate tax plus solidarity surcharge and local tax. Overall tax is a high proportion of GDP.

Corporate Tax Rate %	29.5
VAT %	19
Tax Burden % of GDP	36.3
Tax Treaties	Yes

RISK FACTORS

SUMMARY: A prosperous, low-risk country.

Risk Score %	80.82	Economic Freedom Score %	72.8
Credit Rating	AAA/STA	Investment Freedom Score %	85.0
Logistic Score (% of highest)	97	Business Freedom Score %	92.1
Infrastructure	6.1	Property Rights Score %	90.0



HUNGARY

SUMMARY: A former communist regime which adopted free market policies from 1990 and joined the EU in 2004, Hungary is a landlocked country in the Carpathian Basin. It has some good land in the south of the country and the potential to be reinstated as one of Europe's breadbaskets. The country has seen foreign investment in leasehold farms, perhaps in the expectation of acquiring the freeholds once restrictions are lifted.

OUR ANALYSIS: Some excellent land and well located to serve Western Europe. Within the EU, Hungary has the greatest restrictions on foreign investors, and although these are scheduled to expire in 2014 the government appears intent on extending them, even in the face of EU legislation. The government also appears to have a stance against large agri-businesses. Hungary could present some good opportunities from 2014 once the situation is clarified. Until this happens the country is a questionable investment proposition.

LAND



Land area km ²	90,530
Arable area km ² /%	43,950/48.6
Land price \$/ha	4,000
Restrictions	Freehold available; restrictions on foreign ownership may expire in 2014 for EU nationals but government indicating further restrictions.

AGRICULTURE

Climate	Temperate with cold, cloudy, humid winters and warm summers.
Main crops (by value)	Maize, pigmeat, milk, wheat, chicken, sunflower seed, grapes, green maize, beef, rapeseed.
Main export crops (by value)	Maize, wheat, pet food, sunflower seed, pigmeat, rapeseed, sunflower oil, prepared sweetcorn, sugar.
Main export markets (by value)	Romania, Germany, Slovakia, Italy, Austria, Netherlands, Czech Republic, Poland, Russia, France.

THE ECONOMY

SUMMARY: The private sector accounts for more than 80% of GDP. Foreign ownership of and investment in Hungarian firms are widespread. Hungary obtained an IMF/EU/World Bank financial assistance package in 2008. The economy contracted 6.8% in 2009. In 2010 the new government imposed "crisis taxes" on financial institutions, energy and telecom companies, and retailers. The economy began to recover in 2010 and achieved growth of approximately 1.7% in 2011. Ongoing economic weakness in Western Europe caused GDP to fall 1% in 2012. Unemployment remained high, at more than 11%.

GDP (\$m)	140,029	Inflation	4.0
GDP per capita (\$)	14,044	Population	10.0
Exports % of GDP	92.3	Unemployment %	10.7
Imports % of GDP	84.9	Average annual wage \$PPP	19,800

TAX AND SUPPORT

10% up to HUF 500m (approx \$2.2m). Overall tax is a high proportion of GDP. CAP direct payments (€312/ha in 2013).

Corporate Tax Rate %	19
VAT %	27
Tax Burden % of GDP	37.6
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Typical risk scores for an EU new member state. The main farmland investment risk is the government's attitude to large-scale farming, and continuing restrictions on foreign land ownership.

Risk Score %	46.80	Economic Freedom Score %	67.3
Credit Rating	BB/STA	Investment Freedom Score %	75.0
Logistic Score (% of highest)	69.5	Business Freedom Score %	79.1
Infrastructure	4	Property Rights Score %	65.0

NETHERLANDS

SUMMARY: A modern, industrialized nation, the Netherlands is a small, densely populated northern European country, which despite its size is second only to the USA in the value of agricultural exports, mainly intensively farmed vegetables and high value flowers and live plants. The land is flat, fertile and low lying, and the climate is suitable for many crops.

OUR ANALYSIS: Netherlands farmland is some of the most expensive in the world but per capita food import costs are the highest in the world, giving an opportunity to supply the domestic market. The country offers excellent risk scores and offers opportunities for specialists in intensive crops wishing to enter a highly developed market.

LAND



Land area km ²	33,730
Arable area km ² /%	10,424/30.9
Land price \$/ha	60,000
Restrictions	No land ownership restrictions.

AGRICULTURE

Climate	Temperate marine, with cool summers and mild winters.
Main crops (by value)	Milk, pigmeat, chicken, potatoes, beef, eggs, mushrooms and truffles, onions, tomatoes, sugar beet.
Main export crops (by value)	Cheese, tobacco, prepared foods, soybean cake, food waste, chicken, beer, beef, tomatoes, cocoa butter.
Main export markets (by value)	Germany, UK, France, Belgium, Italy, Spain, USA, Russia, Poland, Sweden.

THE ECONOMY

SUMMARY: The Dutch economy is the fifth largest in the euro zone and noted for its stable industrial relations, moderate unemployment and inflation, a sizeable trade surplus, and an important role as a European transportation hub. Industrial activity is predominantly in food, chemicals, petroleum refining, and electrical machinery. A highly mechanised agricultural sector employs only 2% of the labour force but provides large surpluses. After 26 years of growth, the economy fell in 2009. In response, the government accelerated infrastructure programmes, offering corporate tax breaks for employers to retain workers and expanding export credit facilities.

GDP (\$m)	836,074	Inflation	2.4
GDP per capita (\$)	50,076	Population	16.7
Exports % of GDP	83.0	Unemployment %	5.3
Imports % of GDP	74.1	Average annual wage \$PPP	42,300

TAX AND SUPPORT

Corporate tax 20% on first €200k. CAP direct payments (€469/ha in 2013), 2010 crisis aid. Overall tax is a high proportion of GDP.

Corporate Tax Rate %	25
VAT %	21
Tax Burden % of GDP	38.2
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Excellent risk scores.

Risk Score %	81.24	Economic Freedom Score %	73.5
Credit Rating	AAA/NEG	Investment Freedom Score %	90.0
Logistic Score (% of highest)	96.7	Business Freedom Score %	83.0
Infrastructure	6.6	Property Rights Score %	90.0



POLAND

SUMMARY: A former member of the Eastern Bloc, Poland began the transition to a market economy in 1989 with the election of Lech Walesa as president. A "shock therapy" programme during the 1990s enabled the country to transform its economy into one of the most robust in Central Europe. Poland joined NATO in 1999 and the European Union in 2004. Located in northern Central Europe with a Baltic Sea coastline, the country consists almost entirely of lowlands, while the Carpathian Mountains form the southern border.

OUR ANALYSIS: The Polish landscape and mixed farming will look familiar to UK farmers, although one should not underestimate the differences. Prices have risen steadily for several years but are still at a discount to similar land further west. Good and improving infrastructure and market proximity both east and west. Fewer opportunities to improve and expand than elsewhere in the CEE region but with correspondingly higher risk scores. There are some foreign land ownership restrictions which require purchases to be structured accordingly.

LAND



Land area km ²	304,150
Arable area km ² /%	110,980/36.5
Land price \$/ha	7,300
Restrictions	Freehold available but Ministry approval normally needed. A Polish partner may be required.

AGRICULTURE

Climate	Temperate with moderately severe winters and mild summers. Frequent precipitation.
Main crops (by value)	Milk, pigmeat, chicken, beef, apples, potatoes, wheat, sugar beet, rapeseed, eggs.
Main export crops (by value)	Tobacco, prepared foods, chocolate, pastry, beef, chicken, cheese, mushrooms and truffles, pigmeat.
Main export markets (by value)	Germany, UK, Czech Republic, Italy, Russia, Netherlands, France, Hungary, Slovakia, Ukraine.

THE ECONOMY

SUMMARY: Poland has pursued a policy of economic liberalisation since 1990 and Poland's economy was the only country in the European Union to avoid a recession through the 2008-09 economic downturn. Although EU membership and access to EU structural funds have provided a major boost to the economy since 2004, GDP per capita remains significantly below the EU average while unemployment continues to exceed the EU average. An inefficient commercial court system, a rigid labour code, bureaucratic red tape, burdensome tax system, and persistent low-level corruption keep the private sector from performing up to its full potential.

GDP (\$m)	514,496	Inflation	4.2
GDP per capita (\$)	13,463	Population	37.9
Exports % of GDP	28.6	Unemployment %	10.1
Imports % of GDP	43.4	Average annual wage \$PPP	21,000

TAX AND SUPPORT

CAP direct payments (€197/ha in 2013).

Corporate Tax Rate %	19
VAT %	23
Tax Burden % of GDP	31.8
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Poland has achieved higher risks scores than other EU new member states.

Risk Score %	66.03	Economic Freedom Score %	66.0
Credit Rating	A-/STA	Investment Freedom Score %	65.0
Logistic Score (% of highest)	77.8	Business Freedom Score %	64.0
Infrastructure	3.4	Property Rights Score %	60.0

ROMANIA

SUMMARY: Located in southern Central Europe adjoining the Danube and with a Black Sea coastline, Romania comprises a 'U' shaped belt of arable land surrounding the Carpathian mountains and the legendary area of Transylvania. A former Eastern Bloc country, Romania overthrew the communist regime in 1989 and is now a new and developing EU member (2007).

OUR ANALYSIS: Romania has some of the best land in Europe, available at low cost. Post-communist fragmentation is both a restriction and an opportunity - large, un-modernised farms and blocks of land are available for further expansion, consolidation and improvement, although local knowledge is necessary to find the right deals. Corruption and bureaucracy are still regarded as an issue although the reality may be better than the perceptions. EU membership, infrastructure improvements and local and export markets give a good risk/return profile. Land prices are expected to continue rising towards western European levels.

LAND



Land area km ²	230,160
Arable area Km2/%	89,950/39.1
Land price \$/ha	3,500
Restrictions	Personal restrictions due to expire 2014. Currently farmland may be owned by a Romanian registered company irrespective of the ownership of the company.

AGRICULTURE

Climate	Temperate. Cold, cloudy winters with frequent snow and fog; sunny summers with showers and storms.
Main crops (by value)	Milk, wheat, pigmeat, beef, grapes, sunflower seed, poultry, maize, potatoes, tomatoes.
Main export crops (by value)	Maize, wheat, rapeseed, sunflower seed, sunflower oil, barley, sugar, chicken.
Main export markets (by value)	Italy, Bulgaria, Hungary, Spain, Netherlands, Germany, Turkey, Greece, France, Belgium.

THE ECONOMY

SUMMARY: Romania began the transition from communism with an obsolete industrial base, emerging in 2000 from a three-year recession thanks to strong demand in EU export markets. Domestic consumption and investment fueled strong GDP growth and a relaxation of fiscal discipline but led to inflation in 2007-08. GDP fell more than 7% in 2009. Austerity measures led to a 1.6% GDP contraction in 2010, returning to growth in 2011 due to a strong export performance. In 2011, Romania and the IMF/EU/World Bank signed a \$6.6 bn stand-by agreement but authorities have announced that they do not intend to draw funds from the facility. Growth slowed to less than 1% in 2012.

GDP (\$m)	179,794	Inflation	5.8
GDP per capita (\$)	8,405	Population	21.4
Exports % of GDP	22.3	Unemployment %	5.1
Imports % of GDP	29.1	Average annual wage \$PPP	12,800

TAX AND SUPPORT

Government is considering reducing VAT to 19% from 2014. CAP direct payments (€92/ha in 2013). 2010 crisis aid.

Corporate Tax Rate %	16
VAT %	24
Tax Burden % of GDP	26.5
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Romania's overall country risk score is typical of the region, with very good investment and business freedom scores let down by a poor infrastructure rating. As with neighbouring countries, this is improving with the help of EU aid.

Risk Score %	45.94	Economic Freedom Score %	65.1
Credit Rating	BB+/STA	Investment Freedom Score %	80.0
Logistic Score (% of highest)	63.8	Business Freedom Score %	70.4
Infrastructure	2.8	Property Rights Score %	40.0



RUSSIA

SUMMARY: The world's largest country by a substantial margin, Russia stretches from eastern Europe across northern Asia almost to Alaska. Most of the country comprises a vast wilderness with little human habitation. The major power in the communist USSR until its break-up in 1991, Russia is now a centralised semi-authoritarian state in which the leadership seeks to legitimise its rule through managed national elections, populist appeals and continued economic growth.

OUR ANALYSIS: Russia is the cheapest place in the world to buy very large blocks of excellent freehold land, but with climate and infrastructure problems, huge political risks, endemic corruption and state interference in private business. The Central Black Earth, Volga, Altai and Southern are the main agricultural regions. Operations can be affected by periodic export restrictions. Russia is likely to be unsuitable for most foreign investors.

LAND



Land area km ²	16,376,870
Arable area km ² /%	1,215,000/7.4
Land price \$/ha	1,000
Restrictions	Restricted near borders. Freehold ownership via Russian registered companies through cross share ownership. Freehold purchase can be a difficult process.

AGRICULTURE

Climate	Large range, from humid continental in the east, sub-arctic in Siberia to tundra climate in the polar north.
Main crops (by value)	Milk, wheat, beef, chicken, pigmeat, potatoes, eggs, sunflower seed, sugar beet, tomatoes.
Main export crops (by value)	Wheat, sunflower oil, prepared foods, chocolate, tobacco, barley, alcoholic drinks, soybean oil, pastry.
Main export markets (by value)	Egypt, Ukraine, Kazakhstan, Turkey, Azerbaijan, Italy, Armenia, Uzbekistan, Saudi Arabia, Mongolia.

THE ECONOMY

SUMMARY: Russia has undergone significant changes since the collapse of the Soviet Union, moving from a globally-isolated, centrally-planned economy to a more market-based system. Reforms have privatised most industry. Property rights are still weak and the private sector remains subject to heavy state interference. Russia holds huge oil, gas and coal reserves and is a top exporter of metals. Reliance on exports makes it vulnerable to global prices and the economy was one of the hardest hit by the 2008-09 global economic crisis before growing from 2009. Russia has suffered large capital outflows in recent years and faces challenges which include a shrinking workforce, corruption, and poor infrastructure.

GDP (\$m)	1,857,770	Inflation	8.4
GDP per capita (\$)	13,089	Population	142.4
Exports % of GDP	31.1	Unemployment %	6.6
Imports % of GDP	22.3	Average annual wage \$PPP	17,700

TAX AND SUPPORT

2% federal tax plus 18% regional tax. Dividend tax up to 15%. Russia has a considerable number of aid schemes and tax incentives, but frequent export restrictions.

Corporate Tax Rate %	20
VAT %	18
Tax Burden % of GDP	27.2
Tax Treaties	Yes

RISK FACTORS

SUMMARY: A high risk country with some poor scores.

Risk Score %	51.47	Economic Freedom Score %	51.1
Credit Rating	BBB/STA	Investment Freedom Score %	25.0
Logistic Score (% of highest)	50.7	Business Freedom Score %	69.2
Infrastructure	3.7	Property Rights Score %	25.0



SERBIA

SUMMARY: A landlocked Southern European Balkan country to the west of Romania, Serbia has had a turbulent recent history largely caused by ethnic conflicts. Although the issue of Kosovo's independence remains, Serbia became an official EU candidate country in 2012 and continues to make progress towards accession. The country has a large proportion of arable land, excellent soils and a developing agricultural economy.

OUR ANALYSIS: Fairly large blocks of black earth chernozem soils are available in Vojvodina, although much of the land is still fragmented, with opportunities for further consolidation. Well located for export to the EU and with extensive trade agreements with other countries. Prices are surprisingly higher than Romania even though Serbia is not yet in the EU, although official candidate status was achieved some time ago. The situation with the region of Kosovo, which declared independence in 2008 following the Kosovo War, remains an issue and may delay accession to the EU.

LAND



Land area km ²	87,460
Arable area km ² /%	32,940/37.7
Land price \$/ha	7,000
Restrictions	Foreigners may buy land via a company but not as individuals.

AGRICULTURE

Climate	Continental. Cold winters and hot humid summers in the north, hot dry summers and autumns elsewhere.
Main crops (by value)	Milk, pigmeat, plums and sloes, maize, beef, wheat, grapes, raspberries, poultry, sugar beet.
Main export crops (by value)	Maize, prepared food, fruit, sugar, wheat, sunflower oil, pastry, soft drinks, chocolate, beer.
Main export markets (by value)	Macedonia, Bosnia and Herzegovina, Romania, Germany, Russia, Italy, Greece, Austria, Hungary.

THE ECONOMY

SUMMARY: Serbia has a transitional economy dominated by market forces and reliant on manufacturing and exports, driven largely by foreign investment. After the ousting of President Milosevic in September 2000, the coalition government embarked on a market reform programme, making progress in trade liberalisation and enterprise restructuring and privatisation, but with many large enterprises remaining in state hands. Serbia has increased its exports significantly since 2010. The country has a strategic location, a relatively inexpensive and skilled labour force, and numerous free trade agreements but suffers from unemployment, high government expenditure, debt, an inefficient judicial system and corruption.

GDP (\$m)	52,272	Inflation	11.1
GDP per capita (\$)	6,310	Population	7.4
Exports % of GDP	36.1	Unemployment %	23.4
Imports % of GDP	51.2	Average annual wage \$PPP	10,500

TAX AND SUPPORT

2.5% transfer tax. Overall tax is a high proportion of GDP. Wheat and flour export bans, temporary duty-free import of some agricultural products. Tax incentives for foreign investors.

Corporate Tax Rate %	10
VAT %	20
Tax Burden % of GDP	35.4
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Some of the land has been made saline through inappropriate chemical use. Risk scores are poorer than neighbouring EU members but expected to improve as the country aligns itself to EU membership.

Risk Score %	38.81	Economic Freedom Score %	58.6
Credit Rating	BB-/NEG	Investment Freedom Score %	65.0
Logistic Score (% of highest)	57.6	Business Freedom Score %	60.2
Infrastructure	2.7	Property Rights Score %	40.0



SPAIN

SUMMARY: The second largest EU country after France, Spain enjoyed a peaceful transition to democracy following the death of dictator Francisco Franco in 1975, and rapid economic modernisation gave Spain a dynamic and rapidly growing economy. The country is very mountainous, with vast areas of low-intensity farming, involving traditional livestock raising on semi-natural pastures, extensive arable systems with long fallow periods, and traditional orchards of olives, almonds and other fruit and nut trees. Most of the soil is poor quality.

OUR ANALYSIS: The Spanish economy has gone through a severe recession but appears to be recovering, with a current account surplus expected this year. Regarded as one of the poorest developed nations, Spain has poor risk scores. Land prices remain high, with arable land priced at German levels, but the climate is more suitable for some higher value crops.

LAND



Land area km ²	498,800
Arable area km ² /%	125,123/25.1
Land price \$/ha	15,000
Restrictions	No restrictions for EU citizens or companies.

AGRICULTURE

Climate	Temperate, with clear, hot summers and cold winters; more moderate on the coast.
Main crops (by value)	Olives, pigmeat, grapes, milk, chicken, tomatoes, beef, fruit, eggs.
Main export crops (by value)	Olive oil, wine, fruit, pigmeat, tomatoes, prepared foods, olives.
Main export markets (by value)	France, Germany, Portugal, Italy, UK, Netherlands, USA, Belgium, Poland, Russia.

THE ECONOMY

SUMMARY: After almost 15 years of growth, the economy faltered in 2007 and entered a recession 2008, before expanding moderately in 2011, making Spain the last major economy to emerge from the global recession. It has since fallen back as deleveraging in the private sector, fiscal consolidation, and high unemployment weigh on domestic demand and investment. Spain reduced its budget deficit to 6.7% of GDP in 2012, and the government is also taking steps to shore up the banking system, namely by using up to \$130 billion in EU funds to recapitalize struggling banks exposed to the collapsed domestic construction and real estate sectors.

GDP (\$m)	1,476,882	Inflation	3.2
GDP per capita (\$)	31,943	Population	46.2
Exports % of GDP	30.3	Unemployment %	25.1
Imports % of GDP	31.1	Average annual wage \$PPP	30,400

TAX AND SUPPORT

Tax normally 25% on the first €300k profit.
CAP direct payments (€206/ha in 2013).
Overall tax is a high proportion of GDP.

Corporate Tax Rate %	30
VAT %	21
Tax Burden % of GDP	31.7
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Pollution of the Mediterranean from raw sewage and effluents from the offshore production of oil and gas, water quality and quantity nationwide, air pollution, deforestation, desertification and soil erosion. Poor risk scores for an EU member.

Risk Score %	53.62	Economic Freedom Score %	68.0
Credit Rating	BBB-/NEG	Investment Freedom Score %	80.0
Logistic Score (% of highest)	86.4	Business Freedom Score %	80.3
Infrastructure	5.8	Property Rights Score %	70.0



UKRAINE

SUMMARY: A South Eastern European country between Russia and the Black Sea, the Ukrainian republic was the most important economic component of the former Soviet Union. Its fertile black soil generated more than a quarter of Soviet agricultural output, and its heavy industries supplied equipment and raw materials to industrial and mining sites in other regions of the former USSR. Ukraine gained independence from the former USSR in 1991 but continued to suffer a lack of democracy and prosperity.

OUR ANALYSIS: Excellent black earth soils dominate the country, although there is no freehold land market. Land can be leased and this has attracted land banking speculation in the hope that the moratorium on land sales will be removed - this has been promised for years, but not delivered, and when it comes it is likely to include foreign ownership restrictions. Leasehold land premiums collapsed from 2008, to 10 - 20% of previous values. Foreign investment appears welcome but risks are high, from corruption, a poor legal framework and poor force of law. Ranked last in Europe in the Economic Freedom index. Overall a risky prospect.

LAND



Land area km ²	579,320
Arable area km ² /%	324,990/56.1
Land price \$/ha	1,000
Restrictions	Freeholds in private ownership but owners not allowed to sell.

AGRICULTURE

Climate	Temperate continental, Mediterranean on the coast, warm summers, cool winters, varying precipitation.
Main crops (by value)	Milk, wheat, sunflower seed, chicken, potatoes, beef, pigmeat, eggs, tomatoes, maize.
Main export crops (by value)	Sunflower oil, wheat, barley, maize, rapeseed, chocolate, cheese, sunflower cake, pastry.
Main export markets (by value)	Russia, Egypt, Saudi Arabia, India, Turkey, Belarus, Kazakhstan, France, Israel, Poland.

THE ECONOMY

SUMMARY: The government liberalised prices and adopted a privatisation plan after independence in 1991, but reforms stalled. Output by 1999 had fallen to less than 40% of the 1991 level. Dependence on Russia for energy and a lack of structural reform have made the economy vulnerable to external shocks. GDP growth exceeded 7% in 2006-07, fueled by high global prices for steel, Ukraine's top export, and by strong domestic consumption. Ukraine reached an agreement with the IMF for a \$16.4 billion Stand-By Arrangement in 2008 to deal with the economic crisis, but the program stalled due to lack of progress in implementing reforms. The economy contracted 15% in 2009, grew in 2010/11 but slowed in 2012.

GDP (\$m)	165,245	Inflation	8.0
GDP per capita (\$)	3,615	Population	45.6
Exports % of GDP	53.8	Unemployment %	8.4
Imports % of GDP	59.2	Average annual wage \$PPP	7,600

TAX AND SUPPORT

Corporate tax 16% from 2014, with some exemptions for agriculture. Overall tax is a high proportion of GDP. Various aid schemes, particularly for the livestock sector.

Corporate Tax Rate %	19
VAT %	20
Tax Burden % of GDP	38.1
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Poor risk scores and an indication that previously high levels of freedom of speech and democracy are declining. How and when the moratorium on land sales will be lifted creates an uncertainty for anyone buying in leases.

Risk Score %	32.89	Economic Freedom Score %	46.3
Credit Rating	B/NEG	Investment Freedom Score %	20.0
Logistic Score (% of highest)	59.3	Business Freedom Score %	47.6
Infrastructure	3.7	Property Rights Score %	30.0

UNITED KINGDOM

SUMMARY: A small densely populated island, the UK has played a leading role in developing parliamentary democracy and in advancing literature and science. The British Empire once covered a quarter of the earth's surface. The first half of the 20th century saw the UK's strength seriously depleted in two world wars and the second saw the dismantling of the Empire and the UK rebuilding itself into a modern and prosperous European nation. The UK pursues a global approach to foreign policy and is an active member of the EU, although it chose to remain outside the Economic and Monetary Union.

OUR ANALYSIS: The UK has a developed and transparent land market, supported by a combination of a favourable tax regime, EU aid, amenity/residential interest and other non-farming drivers. UK farmland has produced reasonable average overall returns over most timescales, although much of this has come from land price appreciation and non-agricultural elements. Returns from crop production are low due mainly to high land prices which have doubled in recent years. Where available, higher and better uses can provide substantial value uplifts due to the very restrictive development land planning system.

LAND



Land area km ²	241,930
Arable area km ² /%	60,620/25.1
Land price \$/ha	30,000
Restrictions	Legal owners must be at least 18 years of age.

AGRICULTURE

Climate	Temperate, moderated by the Gulf Stream and prevailing south-west winds.
Main crops (by value)	Milk, beef, chicken, wheat, pigmeat, potatoes, sheep meat, eggs, rapeseed, sugar beet.
Main export crops (by value)	Alcoholic drinks, prepared food, pastry, beer, wheat, wine, chocolate, food waste, cheese.
Main export markets (by value)	Eire, France, Germany, USA, Netherlands, Spain, Italy, Belgium, China, Hong Kong.

THE ECONOMY

SUMMARY: The UK is a leading trading power and financial centre, and the third largest economy in Europe after Germany and France. Agriculture is intensive and efficient, producing about 60% of food needs with less than 2% of the labour force. Large coal, gas and oil resources, but a net importer of energy. Services, particularly banking, insurance, and business, provide the largest proportion of GDP while industry continues to decline in importance. After emerging from recession in 1992, the economy expanded until 2008. In 2010 the new coalition government initiated a five-year austerity programme, since extended, but GDP fell 0.1% in 2012 and the budget deficit remained stubbornly high at 7.7% of GDP.

GDP (\$m)	2,445,408	Inflation	4.5
GDP per capita (\$)	39,038	Population	62.6
Exports % of GDP	32.5	Unemployment %	8.0
Imports % of GDP	34.1	Average annual wage \$PPP	36,700

TAX AND SUPPORT

Corporation tax reducing to 21% in 2014, small company rate 20%. Most agricultural produce VAT zero-rated. Overall high tax burden. CAP direct payments (€247/ha in 2013), grants and annual payments for environmental works, training etc.

Corporate Tax Rate %	23
VAT %	20
Tax Burden % of GDP	35
Tax Treaties	n/a

RISK FACTORS

SUMMARY: A low risk country, although with an overall score around 10% less than some European countries.

Risk Score %	72.32	Economic Freedom Score %	74.8
Credit Rating	AAA/NEG	Investment Freedom Score %	90.0
Logistic Score (% of highest)	92.7	Business Freedom Score %	94.1
Infrastructure	5.6	Property Rights Score %	90.0

NORTH AMERICA

North America is the third largest continent, comprising a large land mass of around 24.7million km² and numerous islands. The main countries in order of size are Canada, USA, Greenland and Mexico, although Mexico has the second-largest population, over three times that of Canada.

North America is often referred to as the 'New World' following colonisation by European settlers which started in the 15th century. Subsequent conflicts, internally and with the colonising powers, led to the formation of the USA and Canada which, with some of the Caribbean islands, retain strong links to Britain and France, whilst Spain retained a presence further south. Greenland is a Danish territory.

The continent can be divided into four main regions: the great plains stretching from the Gulf of Mexico into the Canadian arctic, the mountainous west, the north eastern plateau and the varied east. The climate varies from arctic in the far north, arid in parts of the south and centre, to tropical in the south east and Hawaii.

North America boasts the world's largest economy, headed by the USA which developed in parallel with Canada. Three-quarters of each country's GDP is derived from the service sector, whilst Mexico is classed as a newly industrialised nation, with a mixture of modern and outdated facilities. The Central American states generally regarded as part of the continent, and the islands, have varied economies typically dependent on agriculture and tourism, with a few notable financial centres.

Most types of farming can be found on the continent, the most iconic being cattle ranching and large-scale arable farming on the plains. Some of the world's best farmland is found in the US corn belt, south west of the Great Lakes. Although large, this sector contributes a small percentage of output.

There are several trade agreements in place, the most important being the North American Free Trade Agreement, the world's largest. There are also Caribbean and Central American agreements in place.



CANADA

SUMMARY: The world's second largest country, with rich natural resources, a low population density and a highly developed economy. Three-quarters of the population are employed in the services sector, but timber, energy, mining and agriculture contribute the most to the economy. Canada faces the political challenges of meeting demands for improvements in healthcare, education, social services, and economic competitiveness, as well as responding to the particular concerns of francophone Quebec. Canada also aims to develop its diverse energy resources while maintaining its commitment to the environment.

OUR ANALYSIS: Farmland prices are slightly higher than those in the USA and restrictions on foreign ownership limit opportunities for foreign investors. There is a large variation between land prices in different states, which may be partly a reflection of this. Overall Canada has very good risk and other scores, significantly better than neighbouring USA, and should be regarded as a safe investment environment likely to provide moderate returns.

LAND



Land area km ²	9,093,510
Arable area km ² /%	429,680/4.7
Land price \$/ha	10,000
Restrictions	Some states restrict foreign ownership.

AGRICULTURE

Climate	Varies from temperate in south to sub-arctic and arctic in north.
Main crops (by value)	Beef, rapeseed, pigmeat, wheat, milk, chicken, soybeans, potatoes, maize, lentils.
Main export crops (by value)	Wheat, rapeseed, rapeseed oil, pigmeat, soybeans, prepared foods, beef, lentils, chocolate, potatoes.
Main export markets (by value)	USA, Japan, China, Mexico, Hong Kong, South Korea, UAE, Bangladesh, India, Pakistan.

THE ECONOMY

SUMMARY: An affluent, high-tech economy similar to the US. Impressive growth in manufacturing, mining and service sectors has transformed the nation from a rural into an industrial economy with a skilled labour force and modern capital plant, with a substantial trade surplus with the US. The economy grew from 1993 to 2007 before dropping into recession in 2008, but the major banks emerged well from the financial crisis, owing to a tradition of conservative lending practices and strong capitalisation. Canada achieved marginal growth in 2010-12 and plans to balance the budget by 2015. The petroleum sector is rapidly becoming a large economic driver, with Alberta's oil sands significantly boosting Canada's proven reserves.

GDP (\$m)	1,736,051	Inflation	2.9
GDP per capita (\$)	50,345	Population	34.4
Exports % of GDP	31.2	Unemployment %	7.4
Imports % of GDP	32.4	Average annual wage \$PPP	41,500

TAX AND SUPPORT

15% federal tax plus 13.3% provincial tax. Fairly high tax rates overall. 'Agristability' programme provides insurance against income falling by more than 30%.

Corporate Tax Rate %	23.3
VAT %	Federal and local taxes, up to 15% total.
Tax Burden % of GDP	31.0
Tax Treaties	Yes

RISK FACTORS

SUMMARY: A top-level credit rating is almost matched by some other good scores. Logistics are rated as about average amongst the countries surveyed, and investment and economic freedom levels are some way below top levels.

Risk Score %	82.36	Economic Freedom Score %	79.4
Credit Rating	AAA/STA	Investment Freedom Score %	75.0
Logistic Score (% of highest)	91.1	Business Freedom Score %	91.7
Infrastructure	5.8	Property Rights Score %	90.0



USA

SUMMARY: One of the world's largest countries and economies, ethnically and geographically diverse. Since the end of World War II, the economy has achieved relatively steady growth, low unemployment and inflation, and rapid advances in technology. The farmland market is mature and transparent. The USA is the largest exporter of agricultural produce and by far the largest corn producer, although agriculture contributes a very small proportion to the economy.

OUR ANALYSIS: Some very good soils within a transparent developed market suitable for owner-operators and leasing out. Good, safe long-term returns over most previous timescales although a recent USDA report and other market commentary suggest that land prices have risen above realistic returns potential and that a bubble is developing. Caution should be exercised if considering market entry now. There is limited opportunity to add value, as agriculture is already well developed.

LAND



Land area km ²	9,147,420
Arable area km ² /%	1,601,625/17.5
Land price \$/ha	7,500
Restrictions	Some states restrict foreign ownership.

AGRICULTURE

Climate	Mostly temperate, but tropical in Hawaii and Florida, arctic in Alaska, dry in the great plains and south west.
Main crops (by value)	Beef, milk, maize, chicken, soybeans, pigmeat, wheat, cotton, tomatoes, eggs.
Main export crops (by value)	Soybeans, maize, wheat, cotton, pigmeat, chicken, soybean cake, beef, rice, almonds.
Main export markets (by value)	China, Canada, Mexico, Japan, South Korea, Hong Kong, Indonesia, Turkey, Egypt, Germany.

THE ECONOMY

SUMMARY: The world's largest and most advanced economy, dominated by private enterprise, and at the forefront in technological advances. A widening two-tier labour market in which those at the bottom lack the education and skills and are relatively poor. Imported oil accounts for nearly 55% of consumption and increasing world prices pushed the country into recession. Revenues from taxes and other sources are lower, as a percentage of GDP, than those of most other countries. Long-term problems include stagnation of wages for lower-income families, inadequate investment in infrastructure, rising medical and pension costs of an ageing population and energy shortages.

GDP (\$m)	14,991,300	Inflation	3.2
GDP per capita (\$)	48,112	Population	311.9
Exports % of GDP	14.0	Unemployment %	7.9
Imports % of GDP	17.8	Average annual wage \$PPP	49,800

TAX AND SUPPORT

Corporate tax up to 35% plus local taxes, overall rate c.40%. The Farm Income Stabilization programme provides direct aid based on production and top-up if prices fall below set levels. Dairy export subsidies, cotton export levies.

Corporate Tax Rate %	40
VAT %	Goods and Service Tax, rates vary by State.
Tax Burden % of GDP	24.8
Tax Treaties	Yes

RISK FACTORS

SUMMARY: A low-risk country with a well developed and transparent land market, and high level of business freedom.

Risk Score %	75.57	Economic Freedom Score %	76.0
Credit Rating	AA+/STA	Investment Freedom Score %	70.0
Logistic Score (% of highest)	93.7	Business Freedom Score %	90.5
Infrastructure	5.5	Property Rights Score %	85.0

SOUTH AMERICA

South America is the fourth-largest continent, most of it lying in the tropics of the southern hemisphere. It comprises a large triangular land mass and various islands. The geography is dominated by the Andes, the world's longest mountain range, and large plains and river basins such as the Amazon, Paraná and Orinoco. South America is also home to the driest place on earth, the Atacama Desert, the largest rainforest, the Amazon rainforest, the largest river by volume, the Amazon, and the highest capital city, La Paz, Bolivia.

The population of 379m lives mainly in the coastal regions, the centre being sparsely populated, and is culturally, ethnically and racially diverse. Given a history of colonialism, most South Americans speak Portuguese or Spanish, and societies and states commonly reflect Western traditions.

Major metal and oil reserves have brought high incomes from export but led to political and economic instability in times of poor prices. Governments have therefore been seeking to diversify their economies. High growth has been matched by high inflation, and wealth is unequally distributed.

20th century politics have seen military dictatorships in some countries, some linked to major human rights abuses, but more recently replaced with generally left leaning elected governments operating free market economies and aims of greater global integration. There are plans to merge the two existing trade agreements, Mercosur and the Andean Community of Nations, to form the world's third-largest trade bloc, to be known as the Union of South American Nations.

South America, and particularly Brazil, has a rapidly developing agricultural sector. Extensive beef production has partly given way to arable cropping of soy, maize and sugar cane, much of the latter used for ethanol production. The climate allows double cropping in some areas, but soil quality is generally poor and there are significant infrastructure issues.





ARGENTINA

SUMMARY: The second largest South American country, stretching from Brazil down to the southern tip. Includes some of the world's best soil and famous for extensive cattle ranching although this has declined. Argentina benefits from rich natural resources, a highly literate population, an export-oriented agricultural sector and a diversified industrial base.

OUR ANALYSIS: In recent years Argentina has gone through some economic and political turmoil, and in 2012 there were conflicts between farmers and the government over land tax rises, export controls and other matters. Fairly large-scale, good arable and grazing land is available, but with land prices similar to the US corn belt and poor risk scores, Argentina has limited attraction to foreign investors unless they are planning to move there for lifestyle reasons.

LAND



Land area Km ²	2,736,690
Arable area Km ² /%	380,480/13.9
Land price \$/ha	6,500
Restrictions	Freehold land is available but with various restrictions including a 1,000ha foreign ownership limit.

AGRICULTURE

Climate	Mostly temperate, arid in southeast, sub-arctic in southwest.
Main crops (by value)	Soy, beef, milk, maize, wheat, chicken, grapes, sunflower seed, sugar cane, lemons, limes.
Main export crops (by value)	Soy cake, soybeans, soybean oil, maize, beef, veal, wheat, wine, sunflower oil, dried milk, chicken.
Main export markets (by value)	China, Brazil, Netherlands, Iran, Chile, India, Italy, USA, Colombia, Algeria.

THE ECONOMY

SUMMARY: Although one of the world's wealthiest countries 100 years ago, Argentina suffered during the 20th century from recurring economic crisis. A severe depression culminated in 2001 in the most serious economic, social, and political crisis in the country's turbulent history. The economy bottomed out in 2002, with real GDP 18% smaller than in 1998 and almost 60% of Argentines under the poverty line. Real GDP rebounded to grow by an average 8.5% annually over the subsequent six years, slowing from 2008 before rebounding in 2010. It has slowed since late 2011 even as expansionary fiscal and monetary policies kept inflation in the double digits.

GDP (\$m)	446,044	Inflation	9.5
GDP per capita (\$)	10,942	Population	40.9
Exports % of GDP	21.8	Unemployment %	7.2
Imports % of GDP	19.5	Average annual wage \$PPP	18,200

TAX AND SUPPORT

A minimum income tax of 1% of asset values may be payable. Overall tax is a high proportion of GDP. Various subsidies and export restrictions.

Corporate Tax Rate %	35.0
VAT %	21% IVA Federal VAT plus 3% to 6% IIBB local taxes.
Tax Burden % of GDP	33.5
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Very poor country risk score, with a property rights score only marginally better than Zimbabwe.

Risk Score %	33.17	Economic Freedom Score %	46.7
Credit Rating	B-/NEG	Investment Freedom Score %	40.0
Logistic Score (% of highest)	65.5	Business Freedom Score %	60.1
Infrastructure	3.7	Property Rights Score %	15.0



BRAZIL

SUMMARY: By far the largest and most populous country in South America, Brazil underwent more than half a century of populist and military government until 1985, when power passed to civilian rulers. Brazil continues to pursue industrial and agricultural growth and development of its interior. It is today South America's leading economic power and a regional leader, one of the first in the area to begin an economic recovery. Highly unequal income distribution and crime remain pressing problems. A major exporter of agricultural produce and producer of ethanol from maize.

OUR ANALYSIS: Brazil offers opportunities to turn large areas of under-used land into productive farmland, although there are risks associated with a reliance on exports but with very poor road and port infrastructure, and how restrictions on foreign ownership will be applied. The climate is suitable for double cropping, normally maize and soy, although poor soils and pest pressures require high inputs. There are reports of 'land grabbing' issues, with semi-nomadic people being forced from the land, and even forced labour. Large areas of rainforest and much of the native Cerrado grassland have been cleared for agriculture, with huge increases in GHG emissions.

LAND



Land area km ²	8,459,420
Arable area km ² /%	719,300/8.5
Land price \$/ha	6,000
Restrictions	Freehold available up to 250 - 5,000ha depending on region.

AGRICULTURE

Climate	Mostly tropical, but temperate in south.
Main crops (by value)	Beef, sugar cane, soybeans, chicken, milk, pigmeat, oranges, rice, maize, coffee.
Main export crops (by value)	Soybeans, sugar, chicken, coffee, soybean cake, beef, tobacco, maize, soybean oil.
Main export markets (by value)	China, Netherlands, Russia, USA, Germany, Iran, Venezuela, Japan, Saudi Arabia, Belgium.

THE ECONOMY

SUMMARY: Large and well-developed agricultural, mining, manufacturing, and service sectors, and an expanding presence in world markets. Macroeconomic stability has improved since 2003, with investment grade debt status awarded in 2008. Following the post-2008 downturn, during which exports dwindled and external credit dried up, confidence revived and GDP growth reached 7.5% in 2010. Inflation led the authorities to take measures to cool the economy, slowing growth to 1.5% in 2012. Now the world's seventh largest economy in terms of GDP, with unemployment at historic lows. Large FDI. A commitment to inflation targeting, a floating exchange rate, and fiscal restraint.

GDP (\$m)	2,476,652	Inflation	6.6
GDP per capita (\$)	12,594	Population	194.9
Exports % of GDP	11.9	Unemployment %	6.0
Imports % of GDP	12.6	Average annual wage \$PPP	12,000

TAX AND SUPPORT

15% corporate tax plus 15% on profits over BRL 240,000 (approx \$120,000) and 9% social contribution. Overall tax is a high proportion of GDP. New price support scheme.

Corporate Tax Rate %	34
VAT %	A complex system of indirect taxes up to 300%
Tax Burden % of GDP	32.5
Tax Treaties	Limited

RISK FACTORS

SUMMARY: Recent news reports (June 2013) of mass protests and riots against poor public services, corruption and low pay.

Risk Score %	59.61	Economic Freedom Score %	57.7
Credit Rating	BBB/NEG	Investment Freedom Score %	50.0
Logistic Score (% of highest)	68.2	Business Freedom Score %	53.0
Infrastructure	2.7	Property Rights Score %	50.0



PARAGUAY

SUMMARY: A small landlocked country between northern Argentina and Brazil. Historically one of the least developed in the region, its economy has grown in recent years. Geographically split by the Rio Paraguay. The indigenous population and language are still dominant. Agriculture is the main contributor to GDP, employment and exports. Much of the farming is done on a subsistence basis although larger enterprises, particularly growing soy and raising cattle, have been established.

OUR ANALYSIS: Paraguay has a poor property rights risks score, with little attraction to counter this except low land prices. A new right-wing government is making efforts to attract foreign investment, and with promises of improved infrastructure and a crackdown on corruption, this country may become more appealing in the future.

LAND



Land area km ²	397,300
Arable area km ² /%	39,000/9.8
Land price \$/ha	500
Restrictions	Freehold available, reasonable foreign ownership rules.

AGRICULTURE

Climate	Subtropical to temperate; substantial rainfall in the eastern portions, becoming semi-arid in the far west.
Main crops (by value)	Soybeans, beef, maize, wheat, pigmeat, cassava, milk, rice, eggs, sugar cane.
Main export crops (by value)	Soybeans, beef, soybean cake, soybean oil, maize, wheat, rice, sesame seed, sugar, cotton.
Main export markets (by value)	Uruguay, Brazil, Argentina, Chile, Russia, Netherlands.

THE ECONOMY

SUMMARY: A market economy distinguished by a large informal sector. A large percentage of the population derives its living from agriculture, mainly on a subsistence basis. Real income has stagnated since the 1980's. The economy grew rapidly from 2003 and 2008 before declining due to drought and global conditions. The government reacted by introducing fiscal and monetary stimulus packages, prompting growth at 13% in 2010, the highest in South America, but since declining. Paraguay is one of the world's main soy producers.

GDP (\$m)	23,837	Inflation	8.3
GDP per capita (\$)	3,629	Population	6.5
Exports % of GDP	48.5	Unemployment %	6.6
Imports % of GDP	56.9	Average annual wage \$PPP	6,100

TAX AND SUPPORT

Corporation tax is 10% but foreign entities pay 15%. 1% real estate tax. Non-resident 17.5% capital gains tax.

Corporate Tax Rate %	15
VAT %	10
Tax Burden % of GDP	14.5
Tax Treaties	No

RISK FACTORS

SUMMARY: Much of the forest in the Chaco region has been cleared in recent years. The Chaco is becoming saline and the water is polluted by heavy metals from tanning. Landless peasants have been forced from the land by large enterprises. Corruption is endemic.

Risk Score %	44.13	Economic Freedom Score %	61.1
Credit Rating	BB-/STA	Investment Freedom Score %	70.0
Logistic Score (% of highest)	47.4	Business Freedom Score %	59.1
Infrastructure	3.4	Property Rights Score %	30.0



URUGUAY

SUMMARY: The second smallest country in South America, located on the east coast between Argentina and Brazil. The landscape is rolling plains and low hills, with a mild temperate climate. Agriculture contributes around 70% of exports and over 90% of production is exported. Most of the land is used for cattle. Uruguay's political and labour conditions are among the freest on the continent.

OUR ANALYSIS: Possibly the best opportunities in this continent although scale is not available to the same extent as in neighbouring countries. Some very good soils, with similar land prices to neighbouring Argentina, although there is a large range of quoted values and larger blocks of the best soil can be expensive. Double cropping is possible. The heavy reliance on both exports and cattle meat production puts the country at risk from poor global prices. Restrictions on the type of farming used on some land may be an issue.

LAND



Land area km ²	175,020
Arable area km ² /%	18,070/10.3
Land price \$/ha	3,000
Restrictions	Freehold available to foreign owners, some recent restrictions on operations, on some land types.

AGRICULTURE

Climate	Warm temperate - frost almost unknown.
Main crops (by value)	Beef, milk, rice, soybeans, wheat, chicken, sheep meat, grapes, wool, honey.
Main export crops (by value)	Soybeans, beef, wheat, rice, cheese, malt, hair, sheep meat, dried milk, offal.
Main export markets (by value)	USA, Canada, Mexico, Argentina, Brazil, Israel.

THE ECONOMY

SUMMARY: A free market economy characterised by an export-oriented agricultural sector, a well-educated work force, and high levels of social spending. An 8% annual growth 2004-08 followed by slowdown but not recession. Trade with Mercosur since 2006 has increased by nearly 70% to more than \$5 billion and trade with the world has almost doubled to roughly \$20 billion.

GDP (\$m)	46,710	Inflation	8.1
GDP per capita (\$)	13,866	Population	3.4
Exports % of GDP	27.1	Unemployment %	6.0
Imports % of GDP	27.3	Average annual wage \$PPP	15,800

TAX AND SUPPORT

Corporate tax, CGT and Branch taxes all 25%, Withholding Tax 7/12%. No foreign exchange controls.

Corporate Tax Rate %	25
VAT %	22
Tax Burden % of GDP	18.1
Tax Treaties	No

RISK FACTORS

SUMMARY: Reasonable risk scores. There is reported to be some water pollution from meat packing.

Risk Score %	53.14	Economic Freedom Score %	69.7
Credit Rating	BBB-/STA	Investment Freedom Score %	75.0
Logistic Score (% of highest)	63.5	Business Freedom Score %	73.4
Infrastructure	5.1	Property Rights Score %	70.0

AFRICA

Africa is the world's second-largest continent, covering a fifth of the world's land mass and stretching from the northern temperate to southern temperate zones, covering numerous climatic areas from extremely hot and dry, through tropical, to sub-arctic on the highest peaks.

The oldest inhabited territory on earth, Africa now has 15% of the world's population, around 1bn people, giving a population density of about half that of Europe, and together with the Middle East having the highest growth rate. The political geography is characterised by mainly 19th century European colonial borders overlaying historic tribal regions, and although the borders remain these countries all gained independence during the post-war period. There are now 54 recognised sovereign states, nine territories and two independent states with limited recognition.

Africa may be considered as three regions. The north is dominated by the Sahara Desert and surrounded by mainly dry countries, some with a strong Arab influence. The centre, commonly referred to as Sub-Saharan Africa, has large plains of mainly poor soils and limited infrastructure, characterised by subsistence farming, dense jungles and impressive free-ranging wildlife. There is a further mainly dry area at the south.

Whilst some African countries are politically and economically stable, many continue to be troubled by tribal and political issues, and although many are moving into the middle income bracket most still suffer from poverty and lack of development. Armed conflict appears to be declining, helped by political associations such as the African Union which offers hope for greater co-operation and peace between the continent's many countries.

Many African countries are heavily reliant on foreign aid. Inward investment may be encouraged at government level but implementation has not always been successful, particularly with farming initiatives giving rise to accusations of land grabbing and population displacement. Many countries have significant energy and mineral reserves and economic growth can be impressive, albeit from a low base. South Africa is the exception in many ways, being classed as a developed country, although post-apartheid issues of poverty and inequality remain.





GHANA

SUMMARY: Lying roughly half way along the southern coast of West Africa, Ghana has been independent since 1957. It is made up of five zones: rain forest, deciduous forest, transitional zone, coastal savanna and northern savanna. The main exports are gold, cocoa and timber, and agriculture contributes one third of GDP.

OUR ANALYSIS: The northern savannah zone is the main producer of cereals and livestock. Around half the farmland area is reported not to be in use, although this may not properly consider subsistence farming. Within Africa, Ghana is considered a lower risk than many other countries, and has seen success in reducing poverty and growing its economy. Further progress is likely to rely to some extent on development of the country's agricultural sector. The lack of a freehold land market may be considered a limiting factor.

LAND



Land area km ²	227,540
Arable area km ² /%	48,000/21.1
Land price \$/ha	Reliable data not available
Restrictions	No freehold; max. 50-year leases for foreign investors.

AGRICULTURE

Climate	Tropical, warm and dry along southeast coast, hot and humid in southwest, hot and dry in north.
Main crops (by value)	Yams, cassava, plantains, cocoa beans, taro, maize, groundnuts, game meat, peppers, rice.
Main export crops (by value)	Cocoa beans and products, palm oil, sugar, alcoholic drinks, rubber, cashew nuts.
Main export markets (by value)	Netherlands, UK, Belgium, Estonia, Spain, USA, France, Nigeria, Germany, Japan.

THE ECONOMY

SUMMARY: Ghana has abundant natural resources and has benefited from sound economic management. Agriculture and services account for three quarters of GDP. Offshore oil production began in 2010. Ghana signed a Millennium Challenge Corporation Compact in 2006, aiming to assist the agricultural sector. Ghana opted for debt relief under the Heavily Indebted Poor Country (HIPC) program and is also benefiting from the Multilateral Debt Relief Initiative. In 2009 Ghana signed a three-year Poverty Reduction and Growth Facility with the IMF to improve macroeconomic stability, private sector competitiveness, human resource development, and good governance and civic responsibility.

GDP (\$m)	39,200	Inflation	8.7
GDP per capita (\$)	1,570	Population	24.3
Exports % of GDP	38.0	Unemployment %	n/a
Imports % of GDP	51.1	Average annual wage \$PPP	3,300

TAX AND SUPPORT

Import duties on rice, wheat, poultry and cooking oil.

Corporate Tax Rate %	25
VAT %	15% including National Health Insurance levy
Tax Burden % of GDP	12.1
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Better risk scores than most African countries.

Risk Score %	44.12	Economic Freedom Score %	61.3
Credit Rating	B/STA	Investment Freedom Score %	70.0
Logistic Score (% of highest)	48.2	Business Freedom Score %	61.5
Infrastructure	4.2	Property Rights Score %	50.0



MOZAMBIQUE

SUMMARY: A former Portuguese colony located in east Africa, with a long Indian Ocean coastline, independent since 1975. The country remains very poor and agriculture is almost entirely dependent on subsistence farming. A long civil war ended in 1992. The country is reported to have the lowest levels of agricultural technology in Africa, and is a net importer of food, particularly rice.

OUR ANALYSIS: The government welcomes foreign investors, and is targeting rice, maize, wheat, cassava, livestock and fruit crops, with vertical integration. There may be opportunities to grow crops for the domestic market but typically of Africa the country has poor risk scores. Freehold land is not available but free concession land may be of interest.

LAND



Land area km ²	786,380
Arable area km ² /%	52,000/6.6
Land price \$/ha	800
Restrictions	Free government concessions up to 50 years, subject to approved business plan, or purchase from leaseholder.

AGRICULTURE

Climate	Tropical to subtropical.
Main crops (by value)	Cassava, maize, pigmeat, pulses, tobacco, sugar cane, cotton, sorghum, sweet potatoes, cashew nuts.
Main export crops (by value)	Tobacco, sugar, pulses, sesame seed, cotton, wheat flour, cashew nuts, bananas, molasses.
Main export markets (by value)	Netherlands, South Africa.

THE ECONOMY

SUMMARY: The country remains largely dependent upon foreign aid. The opening of the Mozal aluminium smelter has increased export earnings. Foreign debt has been reduced under the IMF's HIPC initiatives. In July 2007 the Millennium Challenge Corporation signed a compact with Mozambique, focussing on improving sanitation, roads, agriculture, and the business regulation environment. GDP grew at an average 9% pa in the decade up to 2007, one of Africa's strongest performances, but heavy reliance on aluminium subjects the economy to volatile international prices. Investment in the country's gas sector may raise Mozambique's economic growth to 8% per year through 2017.

GDP (\$m)	12,798	Inflation	10.4
GDP per capita (\$)	535	Population	22.0
Exports % of GDP	28.9	Unemployment %	n/a
Imports % of GDP	45.4	Average annual wage \$PPP	1,200

TAX AND SUPPORT

Agricultural enterprises have previously been taxed at a reduced rate of 10%. Crop purchase intervention, credit and insurance.

Corporate Tax Rate %	32
VAT %	17
Tax Burden % of GDP	18.1
Tax Treaties	No

RISK FACTORS

SUMMARY: Reports of typical land grabbing, taking land farmed by villages without compensation or consultation. Poaching is also a major problem.

Risk Score %	36.66	Economic Freedom Score %	55.0
Credit Rating	B+/STA	Investment Freedom Score %	50.0
Logistic Score (% of highest)	n/a	Business Freedom Score %	63.9
Infrastructure	3.4	Property Rights Score %	30.0

SOUTH AFRICA

SUMMARY: South Africa is ranked as an upper-middle income economy by the World Bank. It has the largest economy in Africa, and the 28th largest in the world, and the 5th highest per capita income in Africa. It is considered a newly industrialised country but about a quarter of the population is unemployed. The region was first colonised by the Dutch before becoming a British colony following the Boer Wars, and an independent republic in 1961. Subsequent white rule and the controversial apartheid policies ended in 1994 with multi-racial elections and the appointment of Nelson Mandela as President in 1994.

OUR ANALYSIS: South Africa is by far the most advanced country in Africa and with reasonable risk scores, but with corresponding land prices and remaining social issues. Political infighting remains an issue and the country has yet to resolve problems of poor housing, education and healthcare. Crime is a prominent issue, with a very high rate of murders, assaults, rapes and other crimes compared to most countries. Proposals to restrict foreign ownership need clarifying.

LAND



Land area km ²	1,213,090
Arable area km ² /%	120,330/9.9
Land price \$/ha	3,000
Restrictions	Freehold currently available but proposal to restrict foreign owners to 30-year leases.

AGRICULTURE

Climate	Mostly semi-arid, sub-tropical along east coast.
Main crops (by value)	Beef, chicken, milk, maize, grapes, sugar cane, pigmeat, eggs, sheep meat, apples.
Main export crops (by value)	Wine, fruit, maize, apples, prepared foods, wool, sugar.
Main export markets (by value)	Netherlands, UK, Zimbabwe, Mozambique, Germany, USA, Japan, China, Angola, UAE.

THE ECONOMY

SUMMARY: South Africa is a middle-income, emerging market with abundant natural resources and well-developed financial, legal, communications, energy, and transport sectors. Growth was robust from 2004 to 2007, falling until 2009 before recovering. Unemployment remains high and outdated infrastructure has constrained growth. Daunting problems remain from the apartheid era. Economic policy focuses on controlling inflation.

GDP (\$m)	408,237	Inflation	5.0
GDP per capita (\$)	8,070	Population	50.6
Exports % of GDP	28.8	Unemployment %	24.9
Imports % of GDP	29.4	Average annual wage \$PPP	11,300

TAX AND SUPPORT

15% dividend withholding tax. Import duties on wheat and flour from EU. Overall tax is a high proportion of GDP.

Corporate Tax Rate %	28
VAT %	14
Tax Burden % of GDP	23.8
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Moderate risk scores but high unemployment and poverty remain problems.

Risk Score %	55.96	Economic Freedom Score %	61.8
Credit Rating	BBB/NEG	Investment Freedom Score %	45.0
Logistic Score (% of highest)	85.5	Business Freedom Score %	74.7
Infrastructure	4.7	Property Rights Score %	50.0



SOUTH SUDAN

SUMMARY: One of the most fertile agricultural areas in Africa, with abundant water supplies, the landlocked Republic of South Sudan became an independent state in July 2011 following the 1983 - 2005 Sudan civil war. Despite extensive oil reserves, the country is one of the poorest and least developed in the world, heavily reliant on subsistence farming and foreign aid. Since independence South Sudan has struggled with good governance and nation building and has attempted to control rebel militia groups operating in its territory.

OUR ANALYSIS: The government is encouraging inward investment in large-scale agriculture to improve food security, the economy and infrastructure, although allocation of more than 105ha requires ministry approval. 90% of the land is considered suitable for agriculture and 50% is good quality arable but only 5% is currently in use. Property rights are described as tentative and ethnic conflicts have resulted in a large number of civilian deaths and displacement and there are border conflicts with Sudan. Poor country risk scores, tentative property rights, limited other data and ongoing conflicts in what is a very new country make this a risky proposition.

LAND



Land area km ²	619,745
Arable area km ² /%	300,000/48.4
Land price \$/ha	Reliable data not available
Restrictions	No freehold, max. 99 year leases only. Property rights are described as tentative.

AGRICULTURE

Climate	Tropical in the south, arid desert in the north. Rainy season varies by region (April to November).
Main crops (by value)	Cotton, groundnuts, sorghum, millet, wheat, gum arabic, sugarcane, cassava, mangos, papaya, bananas.
Main export crops (by value)	Sesame seed, cotton lint, sheep meat, sunflower oil, sugar, vegetables, tobacco, sorghum, bananas, skins.
Main export markets (by value)	Tropical in south, arid desert in north. Rainy season varies by region.

THE ECONOMY

SUMMARY: Industry and infrastructure are severely underdeveloped, with just 60km of paved roads. Subsistence agriculture provides a living for the vast majority of the population, poverty is widespread and running water is scarce. The government spends large sums, derived almost entirely from oil revenues, on a big army. Oil exports stopped following independence due to a dispute over transshipment fees, with a devastating impact on GDP. Little external debt or structured trade deficit but more than \$4 bn foreign aid since 2005. Annual inflation peaked at 79% in May 2012.

GDP (\$m)	19,172	Inflation	9.2
GDP per capita (\$)	1,859	Population	8.2
Exports % of GDP	64.9	Unemployment %	12% (2008)
Imports % of GDP	27.1	Average annual wage \$PPP	900

TAX AND SUPPORT

Corporate tax 10 - 35%. Various development agencies engaged in supporting the agricultural sector.

Corporate Tax Rate %	35
VAT %	15% sales tax
Tax Burden % of GDP	6.5
Tax Treaties	No

RISK FACTORS

SUMMARY: Ethnic conflicts have resulted in a large number of civilian deaths and displacement and there are border conflicts with Sudan. The lack of a credit rating and a poor overall risk score make this country a risky proposition.

Risk Score %	23.27	Economic Freedom Score %	Not rated
Credit Rating	Not rated	Investment Freedom Score %	Not rated
Logistic Score (% of highest)	35.3	Business Freedom Score %	Not rated
Infrastructure	Not rated	Property Rights Score %	Not rated



TANZANIA

SUMMARY: Tanzania is located on the east coast of Africa. A former German colony, the country became independent from Britain in 1961. Although regarded as politically stable it remains very poor, with an economy largely dependent on small-scale agriculture. The land is fairly poor quality and most of the arable area is reported to be unused, although this may not take account of subsistence farming. The 2009 Kilimo Kwanza (Transforming Agriculture) initiative concentrates on technological and political reforms, public-private partnerships, value chain approaches and foreign investments.

OUR ANALYSIS: There are opportunities to improve production for both internal use (rice and wheat) and export. Tanzania is considered to be one of the least risky countries in the region, but poor quality soils limit the potential. The government encourages inward investment but the leasehold land acquisition process is restricted, complicated and may take a long time.

LAND



Land area Km ²	885,800
Arable area Km ² /%	116,000/13.1
Land price \$/ha	1,800
Restrictions	Leases up to 99 years, fixed rent \$0.27/ha, 5 or 10,000ha max.

AGRICULTURE

Climate	Varies from tropical along coast to temperate in highlands.
Main crops (by value)	Bananas, beef, rice, milk, maize, cassava, beans, vegetables, groundnuts, sweet potatoes.
Main export crops (by value)	Tobacco, coffee, cashew nuts, cotton, sesame seed, tea, wheat flour, pulses.
Main export markets (by value)	India, Belgium, Kenya, DRC, Japan, China, Netherlands, Germany, USA, Vietnam.

THE ECONOMY

SUMMARY: One of the world's poorest economies per capita, but with growth from gold and tourism. GDP largely dependent on agriculture, which provides 85% of exports, and employs about 80% of the work force. The World Bank, IMF and bilateral donors have provided funds to rehabilitate Tanzania's ageing economic infrastructure, banking reforms have helped increase private sector growth and the government has increased spending on agriculture to 7% of its budget. In 2008, Tanzania received the world's largest Millennium Challenge Compact grant, worth \$698 million. GDP growth in 2009-12 was a respectable 6% per year due to high gold prices and increased production.

GDP (\$m)	23,874	Inflation	12.7
GDP per capita (\$)	532	Population	42.2
Exports % of GDP	31.1	Unemployment %	n/a
Imports % of GDP	50.2	Average annual wage \$PPP	1,700

TAX AND SUPPORT

Zero rate duty on capital goods, inputs and agricultural exports, indefinite carry-over of losses. The Agricultural Sector Development Project promotes training and private investment. Food and maize export ban.

Corporate Tax Rate %	37
VAT %	0
Tax Burden % of GDP	14.6
Tax Treaties	No

RISK FACTORS

SUMMARY: A low risk country by African standards, governed by a stable democracy. Soil erosion is a problem in some areas.

Risk Score %	38.21	Economic Freedom Score %	57.9
Credit Rating	Not rated	Investment Freedom Score %	55.0
Logistic Score (% of highest)	52.9	Business Freedom Score %	48.6
Infrastructure	3.3	Property Rights Score %	30.0

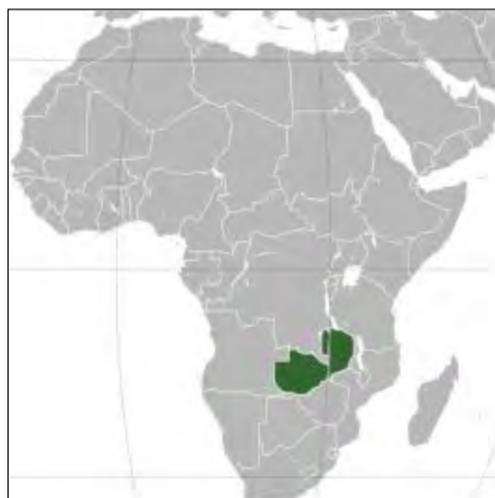


ZAMBIA

SUMMARY: Located in central southern Africa, the former UK colony of Northern Rhodesia became independent in 1964 and changed its name to Zambia. The country's economy is largely dependent on copper mining, a situation the government wishes to address.

OUR ANALYSIS: Zambia is a relatively low-risk country by African standards, politically stable with a good climate and a positive environment for outside investors, but a low property rights score. The Zambia Development Agency (ZDA) has a 'farm block' programme whereby investors can compete for identified areas. The business plan has to include the use of local outgrowers, which may restrict operational freedom.

LAND



Land area Km2	743,390
Arable area Km2/%	34,000/4.6
Land price \$/ha	1,000
Restrictions	Deals over \$10m require approved by the ZDA. 2 - 5 year trial lease followed by up to 99 years if successful. Fixed rent of approx \$1/ha.

AGRICULTURE

Climate	Tropical, modified by altitude. Rainy season October to April.
Main crops (by value)	Maize, beef, cassava, sugar cane, tobacco, game meat, groundnuts, vegetables, chicken, cotton.
Main export crops (by value)	Sugar, tobacco, cotton, maize, wheat flour, soft drinks, vegetables, pastry, soybean cake, sugar.
Main export markets (by value)	Zimbabwe, DRC, Malawi, South Africa, Papua New Guinea, Switzerland, Mauritius, China, UK, Tanzania.

THE ECONOMY

SUMMARY: Zambia's economy has experienced strong growth in recent years, with real GDP growth in 2005-12 more than 6% per year. Copper output has increased steadily since 2004, due to higher copper prices and foreign investment. Zambia qualified for debt relief under the Highly Indebted Poor Country Initiative, consisting of approximately US\$6 billion in debt relief. Poverty remains a significant problem in Zambia, despite a stronger economy. Zambia's dependency on copper makes it vulnerable to depressed commodity prices. Zambia has made some strides to improve the ease of doing business.

GDP (\$m)	19,206	Inflation	6.4
GDP per capita (\$)	1,425	Population	13.6
Exports % of GDP	46.0	Unemployment %	14.0
Imports % of GDP	37.0	Average annual wage \$PPP	1,700

TAX AND SUPPORT

Agricultural businesses pay 15% corporate tax, and there are other tax incentives.

Corporate Tax Rate %	15.0/35.0
VAT %	16.0
Tax Burden % of GDP	16.0
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Legislation requiring environmental impact assessments and local consultation on agricultural investment is reported to be poorly administered in practice, and subject to local corruption.

Risk Score %	36.60	Economic Freedom Score %	58.7
Credit Rating	B+/STA	Investment Freedom Score %	55.0
Logistic Score (% of highest)	Not rated	Business Freedom Score %	60.4
Infrastructure	4.0	Property Rights Score %	30.0



ZIMBABWE

SUMMARY: A former UK colony which went through a period of UN sanctions and a guerilla uprising before a transition to independence in the 1970's. Violence, accusations of rigged elections and the forced occupation of white-owned farms have since crippled the economy and caused massive shortages of basic commodities.

OUR ANALYSIS: Zimbabwe, formerly known as Rhodesia, used to have a highly productive agricultural sector which could in theory one day be reinstated. Lack of infrastructure is a major limiting factor to agricultural development, and politically it is extremely risky, with some of the poorest risk scores in the world.

LAND



Land area km ²	386,850
Arable area km ² /%	41,000/10.6
Land price \$/ha	Reliable data not available.
Restrictions	Freehold available.

AGRICULTURE

Climate	Tropical, moderated by altitude, rainy season November to March.
Main crops (by value)	Beef, tobacco, maize, cotton, milk, sugar cane, chicken, game meat, pigmeat, cotton seed.
Main export crops (by value)	Tobacco, cotton, sugar, skins, tea, cottonseed cake.
Main export markets (by value)	China, South Africa, UK, Mozambique, Belgium, UAE, Singapore, Germany, Kenya, Swaziland.

THE ECONOMY

SUMMARY: Zimbabwe's economy is growing despite continuing political uncertainty, but it still faces economic problems including a large external debt burden. Involvement in the war in the Democratic Republic of the Congo drained hundreds of millions of dollars from the economy. The government's subsequent land reform programme badly damaged the commercial farming sector, turning Zimbabwe into a net importer of food products. Until early 2009, the Reserve Bank of Zimbabwe printed money to fund the budget deficit, causing hyperinflation. Dollarisation in early 2009 restored price stability but exposed structural weaknesses that continue to inhibit broad-based growth.

GDP (\$m)	10	Inflation	n/a
GDP per capita (\$)	757	Population	12.6
Exports % of GDP	49.9	Unemployment %	95.0
Imports % of GDP	87.8	Average annual wage \$PPP	500

TAX AND SUPPORT

Smallholders benefit from several aid-based programmes such as the FAO input vouchers scheme and the IFAD Agriculture Support Project.

Corporate Tax Rate %	25.0
VAT %	15.0
Tax Burden % of GDP	12.9
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Zimbabwe has one of the poorest risk scores in the world and needs to be considered accordingly.

Risk Score %	15.18	Economic Freedom Score %	28.6
Credit Rating	B+/STA	Investment Freedom Score %	0.0
Logistic Score (% of highest)	49.6	Business Freedom Score %	33.4
Infrastructure	4.4	Property Rights Score %	10.0

OCEANIA

Oceania comprises Australia, the world's largest island country, New Zealand and the many thousands of islands of the Malay Archipelago, most of which make up Indonesia, and which straddle the equator. There is some discussion about the location of the boundary with Asia.

The continent can be divided into three regions. Australia has a large modern economy, a mainly arid climate and a population of 23m of mainly British and Irish origin living mainly in the more habitable south east and west coastal regions. The islands to the north are mountainous and volcanic, with tropical climates and highly populated by a mainly ethnic population, with Java being home to 138m people.

New Zealand to the south has a smaller population of just 4.5m people, mainly of European descent, and a mild temperate climate.

The region's economy is dominated by Australia and Indonesia, with the much smaller and less populous New Zealand coming a poor third despite having a modern market economy. The service sector, agriculture, tourism, mining and manufacturing are the main contributors to GDP and exports.





AUSTRALIA

SUMMARY: The Commonwealth of Australia was created in 1901, rapidly developing its agricultural and manufacturing industries. It is now an internationally competitive, advanced market economy, largely due to reforms adopted in the 1980s. Agriculture contributes a large proportion of export trade, and exports account for two thirds of agricultural output. Most of the country is desert or extensive grassland, with arable farming limited by poor soils and lack of water. Long-term concerns include ageing of the population, pressure on infrastructure, and environmental issues such as frequent droughts.

OUR ANALYSIS: A large and prosperous country with a low population and aims of increasing output, Australia has opportunities for large-scale farming limited by frequent and severe droughts. The government is reported to be developing and selling virgin land. Land values are strongly correlated with productivity.

LAND



Land area km ²	7,682,300
Arable area km ² /%	476,780/6.2
Land price \$/ha	1,800
Restrictions	Foreign Investment Review Board approval required for land purchases.

AGRICULTURE

Climate	Generally arid to semi-arid, temperate in south and east, tropical in north.
Main crops (by value)	Beef, wheat, milk, sheep meat, chicken, cotton, grapes, sugar cane, wool, rapeseed.
Main export crops (by value)	Wheat, beef, wine, wool, sheep meat, sugar, cotton, barley, cheese, rapeseed.
Main export markets (by value)	China, Japan, Indonesia, USA, South Korea, New Zealand, UK, Singapore, Malaysia, Thailand.

THE ECONOMY

SUMMARY: Australia's abundant natural resources include extensive reserves of coal, iron ore, copper, gold, natural gas and uranium and attract high levels of foreign investment. Australia also has a large services sector and is a significant exporter of natural resources, energy, and food. The economy grew for 17 consecutive years before 2008. The government introduced a fiscal stimulus package worth over \$50 bn to offset the effects of the global slowdown, and the economy grew from 2009, reaching 3.3% growth in 2012. Unemployment fell to 5.2% in 2012 and the budget deficit dropped to 0.8% of GDP. Australia is focused on raising productivity to ensure growth.

GDP (\$m)	1,379,382	Inflation	3.4
GDP per capita (\$)	60,979	Population	22.7
Exports % of GDP	21.3	Unemployment %	5.1
Imports % of GDP	19.8	Average annual wage \$PPP	42,400

TAX AND SUPPORT

Very limited support - overall estimate of 4% of average gross farm income.

Corporate Tax Rate %	30
VAT %	10% GST
Tax Burden % of GDP	20.9
Tax Treaties	Yes

RISK FACTORS

SUMMARY: One of the highest set of risk scores available.

Risk Score %	81.48	Economic Freedom Score %	82.6
Credit Rating	AAA/STA	Investment Freedom Score %	80.0
Logistic Score (% of highest)	87.2	Business Freedom Score %	95.5
Infrastructure	5.1	Property Rights Score %	90.0



NEW ZEALAND

SUMMARY: New Zealand is an island country in the Pacific Ocean, 1,500 km east of Australia. It comprises the main North and South Islands and many smaller islands. It is a constitutional monarchy with a parliamentary democracy with Queen Elizabeth II the Head of State. The topography is relatively mountainous with grassland lowlands.

OUR ANALYSIS: Land prices are linked to the performance of the dairy sector, which in turn responds to world demand. The reliance on dairy and the isolated location and sensitivity to shipping costs may be considered as risks although the overall risk scores are very good. In recent years the government has sought to address long-standing Maori grievances. Overall the country is very 'green'. The fact that the agricultural sector survives with almost no agricultural aid is probably an advantage.

LAND



Land area km ²	263,310
Arable area km ² /%	4,710/1.8
Land price \$/ha	24,000
Restrictions	Government approval required for foreign ownership, reported to be tightening.

AGRICULTURE

Climate	Temperate with sharp regional contrasts.
Main crops (by value)	Milk, beef, sheep meat, wool, kiwi fruit, chicken, apples, grapes, potatoes, pigmeat.
Main export crops (by value)	Dried milk, sheep meat, butter, beef, skimmed milk, cheese, wine, kiwi fruit, prepared foods, milk products.
Main export markets (by value)	China, Australia, USA, Japan, UK, Indonesia, Philippines, Malaysia, Saudi Arabia, South Korea.

THE ECONOMY

SUMMARY: Over the past 20 years New Zealand has transformed from an agrarian economy dependent on concessionary British market access to a more industrialised, free market economy that can compete globally. Per capita income rose for 10 years until 2007 in PPP terms, falling in 2008-09 when the economy fell into recession. In line with global peers, the central bank cut interest rates aggressively and the government developed fiscal stimulus measures. The economy briefly declined in 2009 but grew 2% pa from 2010. The government plans to improve productivity, develop infrastructure and reduce government spending, but key trade sectors remain vulnerable to weak external demand.

GDP (\$m)	159,706	Inflation	4.4
GDP per capita (\$)	36,254	Population	4.4
Exports % of GDP	30.0	Unemployment %	6.6
Imports % of GDP	28.7	Average annual wage \$PPP	28,800

TAX AND SUPPORT

Overall tax is a high proportion of GDP. Virtually no subsidies since 1984.

Corporate Tax Rate %	28
VAT %	15% GST
Tax Burden % of GDP	31.3
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Very good risk scores but a heavy reliance on dairy and exports.

Risk Score %	80.88	Economic Freedom Score %	81.4
Credit Rating	AA/STA	Investment Freedom Score %	80.0
Logistic Score (% of highest)	77.4	Business Freedom Score %	99.9
Infrastructure	5.5	Property Rights Score %	95.0

ASIA

Asia is the world's largest continent, its 44 million km² covering 30% of global land mass and being home to 60% of the population. It contains most of the world's largest country, Russia, and by far the two most populous, China and India.

Opinions vary as to the exact boundary with Europe and Oceania but broadly it is bounded by the Pacific, Indian, and Arctic oceans, and the Ural mountains in western Russia, and contains around 48 countries with at least two of them having part of their land in Europe. There is much cultural and political variation, with most of the continent being communist, former communist, or dictatorships, although some countries, including India, have an established democracy.

Asia's geography is hugely varied and includes deserts, vast forests, tundra and mountains. The climate follows a similar pattern throughout, from arctic in the north, damp or tropical in the south east, to dry and hot in the south west and much of the interior.

Economically, Asia has the second largest GDP, after Europe, but the largest in PPP terms. Wealth per capita is concentrated in the south east, where manufacturing, finance and service sectors dominate. Mining and agriculture are also important in some regions. Soils are generally poor although the south west extends into the chernozem belt. Most of the arable land is in the south west, with India having a high proportion of arable land. China and India are major producers and consumers of the main grains and oilseeds.





CHINA

SUMMARY: The People's Republic of China covers 9.6 km², making it the world's second-largest country by land area. With a population of 1.35bn, it is the world's most populous, slightly ahead of India. Its geography includes the Himalayan mountains, forest steppes and sub-tropical forests, deserts and plains, with an equally diverse climate. An emerging superpower, China has the world's largest army, with nuclear weapons, and is a member of the UN Security Council, WTO, G20 and many other organisations. An ancient civilization, it was ruled by a series of monarchies before coming under communist rule in 1912.

OUR ANALYSIS: China is not an obvious candidate for foreign investment in agriculture. Indeed, there is much greater focus on capital flows in the opposite direction. China has made some attempt at developing a civil land code, with the passing of the 2007 property law, but land ownership remains with the state. Although China appears to be making efforts to attract foreign investment, the small-scale collective farmland ownership structure is not conducive to foreign investment in this sector.

LAND



Land area km ²	9,327,490
Arable area km ² /%	1,115,985/12.0
Land price \$/ha	n/a
Restrictions	Farmland is all owned by collectives. Leasehold appears possible. Provincial-level approval of foreign investment required.

AGRICULTURE

Climate	Extremely diverse - tropical in the south to sub-arctic in the north.
Main crops (by value)	Pigmeat, rice, vegetables, eggs, tomatoes, chicken, beef, wheat, apples, potatoes.
Main export crops (by value)	Garlic, chicken, fish, apple juice, offal.
Main export markets (by value)	Japan, USA, Vietnam, South Korea, Indonesia, Malaysia, Germany, Russia, Thailand, Netherlands.

THE ECONOMY

SUMMARY: Since the introduction of economic reforms in 1978, China has become the world's fastest-growing major economy, becoming the second-largest economy in both nominal and PPP terms, and the world's largest exporter and importer of goods. This has at times brought accusations of 'dumping', resulting in trade restrictions being imposed. The current imbalance in the business and financial cycles have led to fears over the country's continued dependency on its debt-fuelled investment boom, and the fact that domestic consumption is still failing to pick up the slack in headline nominal GDP terms. This may be seen as an early warning signs of weakening economic fundamentals.

GDP (\$m)	7,318,499	Inflation %	5.4
GDP per capita (\$)	8,382	Population (m)	1,348
Imports/Exports % of GDP	26.5/31.4	Unemployment %	6.5
Agriculture % of GDP	10	Average annual wage \$PPP	9,100

TAX AND SUPPORT

Many taxes may affect farming in China, including Farmland Occupation Tax, Fixed Asset Investment Orientation Regulation Tax, Slaughter Tax, Animal Husbandry Tax, Agriculture Tax, Turnover Tax and customs duties. There is some price support.

Corporate Tax Rate %	25
VAT %	17
Tax Burden % of GDP	18.2
Tax Treaties	Yes

RISK FACTORS

SUMMARY: China has suffered severe pollution and environmental degradation, as laws have been poorly enforced in favour of economic development. Desertification is a major issue. The country is at risk from its dependency on exports and a debt-fuelled investment boom. It has a poor property rights score.

Risk Score %	59.33	Economic Freedom Score %	51.9
Credit Rating	AA-/STA	Investment Freedom Score %	25.0
Logistic Score (% of highest)	80.5	Business Freedom Score %	48.0
Infrastructure	4.5	Property Rights Score %	20.0



INDIA

SUMMARY: The Republic of India is the world's seventh-largest and second most populous country, the largest democracy by population. Its history has been shaped by ancient civilisations, religion, commercial and cultural wealth, and colonialism. It has boundaries with several countries including China and Pakistan, and the Indian Ocean and Bay of Bengal. Agriculture remains important and it has a high proportion of arable land. Considered a newly industrialised country, it still suffers from poverty and corruption. Agriculture is mainly small scale but can be productive, and the country is a major global food producer.

OUR ANALYSIS: India has some of the problems and opportunities associated with Eastern Europe, having a large number small and often poorly performing farms, yet with some larger and more efficient modern enterprises showing the potential for increased productivity. Land prices are, however, much higher due at least in part to population pressure. With no freehold land available to foreign buyers and risks associated with poor infrastructure, local bureaucracy and perhaps corruption there is little to encourage foreign investment in India's agriculture sector.

LAND



Land area km ²	2,973,190
Arable area km ² /%	1,573,500/52.9
Land price \$/ha	15,000
Restrictions	No foreign farmland ownership permitted.

AGRICULTURE

Climate	Varies from tropical monsoon in the south to temperate in the north.
Main crops (by value)	Rice, buffalo milk, cow milk, wheat, sugar cane, mangoes, mangosteens, guavas, cotton, bananas.
Main export crops (by value)	Cotton, rice, buffalo meat, soybean cake, tobacco, tea, sugar, castor oil, cashew nuts, maize.
Main export markets (by value)	China, UAE, Pakistan, USA, Saudi Arabia, Bangladesh, Vietnam, Malaysia, Iran, Indonesia.

THE ECONOMY

SUMMARY: Following economic reforms in 1991, brought in partly as a result of the collapse of the Soviet Union, India became one of the fastest growing major economies. Growth has continued post-2008, with around 6% forecast for 2013, although debt is high at around 68% of GDP. It now has the tenth-largest GDP and the third-largest total by purchasing power parity, although its high population means GDP per capita is poor. The country is a major global producer of many products, with half the population employed in agriculture, and land prices have seen substantial rises in recent years. Textiles and service industries make up most of the remaining employment.

GDP (\$m)	1,847,977	Inflation %	8.6
GDP per capita (\$)	3,694	Population (m)	1,207
Imports/Exports % of GDP	6.7/24.6	Unemployment %	9.8
Agriculture % of GDP	18	Average annual wage \$PPP	3,900

TAX AND SUPPORT

Foreign companies are taxed at 40%. 18.5% minimum alternate tax may be payable. 2% or 5% surcharge on profits over INR 10m (c€167,000). There are some export incentives and restrictions, but little price support.

Corporate Tax Rate %	30 – 40
VAT %	12.5
Tax Burden % of GDP	7.4
Tax Treaties	Yes

RISK FACTORS

SUMMARY: India suffers from a large amount of crop waste due to poor roads, power supplies, irrigation, and flood control, supply chain issues and lack of storage. There is a high suicide rate amongst farmers. Risk scores are poor for a country with such a high profile, and India has a high proportion of public debt.

Risk Score %	52.35	Economic Freedom Score %	55.2
Credit Rating	BBB-/NEG	Investment Freedom Score %	35.0
Logistic Score (% of highest)	66.4	Business Freedom Score %	37.3
Infrastructure	3.9	Property Rights Score %	50.0



KAZAKHSTAN

SUMMARY: A former member of the USSR, Kazakhstan is located on the the Europe/Asia border and is the largest landlocked country in the world, the size of Western Europe. It possesses enormous fossil fuel, mineral and ore reserves and has a large agricultural sector featuring livestock and grain. Agriculture was the dominant industry 20 years ago but the country is now largely reliant on oil and gas revenues. 70% of the land is grassland, and wheat is the main crop.

OUR ANALYSIS: Kazakhstan offers opportunities to develop and intensify large-scale farming on some very good land, although rainfall is a limiting factor unless irrigation is possible. Location and lack of freeholds for foreign investors reduce the attraction of this country. The north-central region has the best soils although there are areas of very poor soils there too, there is evidence of erosion due to lengthy monoculture under the former Virgin Lands programme.

LAND



Land area km ²	2,699,700
Arable area km ² /%	240,350/8.9
Land price \$/ha	Reliable data not available
Restrictions	Foreigners can buy houses and commercial real estate but not farmland. Local companies can buy land but may need Kazakh control.

AGRICULTURE

Climate	Cold winters and hot summers, arid and semi-arid.
Main crops (by value)	Wheat, milk, beef, potatoes, sheep meat, pigmeat, tomatoes, cotton, poultry, eggs.
Main export crops (by value)	Wheat, wheat flour, cotton, barley, onions, melons, tobacco, sunflower cake, soft drinks.
Main export markets (by value)	Europe, Russia, Ukraine, north Africa and central Asia.

THE ECONOMY

SUMMARY: Kazakhstan's economy is larger than other Central Asian states due largely to the country's vast natural resources. In 2002 it became the first former Soviet Union country to receive an investment-grade credit rating. Extractive industries will continue to be the engine of Kazakhstan's growth, although the country is pursuing diversification strategies. The economy weakened in 2007, falling into recession before recovering in 2011. Current issues include developing a cohesive national identity, managing Islamic revivalism, expanding the development of the country's energy resources and developing political reforms and international relations.

GDP (\$m)	188,050	Inflation	8.3
GDP per capita (\$)	11,357	Population	16.7
Exports % of GDP	49.5	Unemployment %	5.4
Imports % of GDP	27.7	Average annual wage \$PPP	13,900

TAX AND SUPPORT

20% corporation tax but 15% branch tax on foreign entities, 32% overall rate. Improvement loans and grants are available in some areas. Cereal and oilseeds export ban, government buying of produce.

Corporate Tax Rate %	32
VAT %	
Tax Burden % of GDP	13.4
Tax Treaties	Yes

RISK FACTORS

SUMMARY: Poor risk scores. Part of the country is contaminated with nuclear material from former Soviet testing.

Risk Score %	45.76	Economic Freedom Score %	63.0
Credit Rating	BBB+/STA	Investment Freedom Score %	30.0
Logistic Score (% of highest)	54.2	Business Freedom Score %	71.8
Infrastructure	3.6	Property Rights Score %	35.0

DATA SOURCES

The following sources have been used to compile the data used in this publication:

FAO
CIA
World Bank
UNECE
Euromoney
Standard and Poors
Eurostat
USDA
KPMG
Ernst and Young
VATlive
Global Trade Alert
Heritage
Indexmundi
HMRC
Worldwide Tax
Transparency International
Nationmaster

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ABOUT MINTRIDGE INTERNATIONAL

Mintridge International Ltd is a firm of property professionals and asset managers providing sourcing, acquisition and management services for investors looking to directly invest in farmland and farming businesses.

We principally work within Central and Eastern Europe (CEE) where the company has first-hand experience gained over the past decade of both farming and buying land, although we also undertake projects in the UK, other parts of Europe, and further afield.

Since 2003, Mintridge International's Managing Director, Norman Paske, has been farming 3,000 hectares in Western Poland in partnership with UK-based investors, and this hands-on knowledge combined with a dedicated team of professionals operating across the CEE gives us an unrivalled network of contacts throughout the region. We are therefore well placed to source suitable opportunities and guide investors through the process of acquiring or leasing land and setting up farming businesses.

We also undertake continual research and analysis on a wide variety of subjects affecting both the global agriculture industry and the international farmland investment sector specifically.

Our services include:

Farm and Land Search	Negotiation and acquisition	Asset management services
Appraising land & agribusiness opportunities	Valuation and due diligence	Bespoke research for investors
Preparing financial models and business plans	Advising and arranging suitable farm management options	Advising on renewables, diversification and grant funding
Appraising and implementing added-value projects	Planning and project management	Selling land and farming businesses



Norman Paske
BSc (Hons) FRICS FAAV
Managing Director
07971 187 754
norman@mintridge.com



Tom Arthey
BSc (Hons) MRICS FAAV
Director
07584 125 766
tom@mintridgeinternational.com



Jonathan Scott-Smith
BSc (Hons) FRICS FAAV
Head of Research
07704 141 626
jonathan@mintridgeinternational.com

Mintridge International Ltd

Longbrook Farm

Thurning

Peterborough

PE8 5RG

Telephone: +44 (0) 1832 293 104

Email: info@mintridgeinternational.com

www.mintridgeinternational.com