



# **Rising Farmland! ... Who will take advantage of the next gold rush?**

*by Adam Richardson.*

***“Farming is going to be one of the great professions of the next 10-20 years,” Jim Rogers, “When I speak to universities and students, I tell them they should all be studying agriculture. They don’t want to do it. They all want to get MBAs. But it’s a terrible mistake. They should be studying agriculture,”***



Invest In Farmland

## Rising Farmland! ... Opportunity and Profile

*by Nigel Bolton Shaw*

The Telegraph newspaper recently asked, “*How good is farmland as an investment?*”

It answers with the following statement: “Arable land in the South West of England increased in value by 11 per cent last year.” There may be tax advantages as well.

In the past decades, the sector has delivered double the return of ordinary residential property, as measured by the Land Registry, and three times the return of the FTSE 100 index of British blue-chip shares, according to the article. Farmland values may increase by up to 30 per cent over the next five years. Here’s more:

*Professionals are not the only ones interested in this sector ... [Realtor]Tom Raynham said: “Private investors might not necessarily have any experience in farming but understand the benefits of buying land. “Investors, in the main, are*

*predominantly interested in purchasing an asset that will increase in value, which agricultural land has by 200 per cent in the past 10 years, but also see the tax benefits of holding land.*

*“Currently agricultural land and woodland can be 100 per cent IHT-free and there is no income tax on woodland revenue. When considering tax planning for the future, farms and commercial blocks of woodland are interesting assets to invest in.”*

*... While demand for conventional property in many areas outside the South East remains subdued, estate agents report a backlog of cash waiting to be invested in agricultural property. Ian Bailey, head of rural research at Savills, said the estate agent has £6 billion of buyers’ funds registered to invest in land and farms.*

*He added: “We forecast growth of 40 per cent over the next five years for average farmland values across Great Britain. A trend that is likely to mirror the prime central London residential market. Both markets are regarded as safe havens for cash.”*

Sound interesting?

Many investors might appreciate the ability to invest in farmland, but such opportunities are not always available. But a former Supercuts entrepreneur is working to change that.

Doug Bell is offering farmland in Uruguay via his Grasslands UY, LLC project. Bell is one of a new breed of agricultural entrepreneurs making this illiquid sector of the market more mainstream.

Once one of the largest franchisees with the national haircut chain Supercuts, Bell ultimately expanded his business to \$18,000,000 in annual sales from 50 barber shops. Today, Bell’s syndicated farming investment business enables people to participate in buying farmland outside of the United

States.

Bell has been attracting publicity, especially since his Uruguayan farmland has already appreciated about 15 percent. In a recent interview with an investment website, Bell made the following points:

-Food is an essential survival element, and, investment exposure to some sort of food production can provide additional diversification in a world of shrinking options.

-The world's farmland is finite and beginning to reach its limits. A very small percentage of the world's arable land remains to be developed and some part of existing farmlands suffer from abuse, erosion and urban encroachment.

-The better producing the property, the more it positively correlates to inflation and commodities prices. The world's best farmlands with adequate water will always be in demand, and will continue to be increasingly valuable. Uruguay is such a place, Bell believes.

Bell says that one of the things that sold him on Uruguayan farming was the practice of no-till farming, which is sustainable and conservative. The net effect is lower farm costs associated with environmentally sound practices.

Bell recently closed out his first tranche after buying two farms but is now working on buying a third. He says he is not stopping there either. *"There's tremendous interest in this sector, and I intend to help satisfy it."*

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