Farmland and Canada's Role as the World's Breadbasket

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International Foundation OF EMPLOYEE BENEFIT PLANS CANADA

Carmon Blacklock

Sixth generation Canadian farmer

6th
generation Canadian farmer

Family
I farm alongside my parents and my brothers

Dewberry
our home—a small village in Alberta



Dewberry, Alberta
East-central Alberta, near the Saskatchewan border

Map outline: svg-maps/canada (CC BY 4.0)



Harvest at Dewberry

A few seconds from the combine seat on our family farm



A Show of Hands . . .

01 *How many of you have parents who were—or are—farmers?*

02 *How many of you have farmland in your investment plans?*

Canadian Pension Leaders Invest in Natural Capital

2025 GLOBAL NATURAL CAPITAL RANKING

5 of the Top 10

Institutional natural-capital investors are Canadian

#1	#2	#4	#8	#10
PSP Investments	**BCI**	**Ontario Teachers'**	**CPP Investments**	**AIMCo**

"Investments provide strong downside protection, inflation hedging and uncorrelated returns."

— PSP Investments | 2026 Annual Report

Source: IPE Real Assets, Top 50 Natural Capital Investors, Jan/Feb 2025. Includes agriculture, timberland and related land assets globally; not Canadian farmland allocations.

Investing in Productive Land

WHAT IS NATURAL CAPITAL?

Nature-based real assets whose value is supported by land, soil, water and biological resources

PSP INVESTMENTS

C$19.7B

Natural Resources | Mar 2026

AIMCo

~C$4.0B

Renewable Resources | Dec 2025

INFLATION SENSITIVITY

Productive land and commodity-linked revenues can respond to inflation

DIVERSIFICATION

Different biological and economic drivers than conventional financial assets

LONG-TERM VALUE

Potential for recurring income, land appreciation and responsible stewardship

Sources: PSP Investments, Natural Resources (31 Mar 2026); AIMCo, 2025 Annual Report, Renewable Resources. C$ figures are reported portfolio AUM/market value, not Canadian-only farmland holdings. PSP also includes related opportunities.

Natural Capital: Sub Classes



FORESTRY

TIMBERLAND

Forests and sustainable timber



FARMLAND

AGRICULTURE

Productive farmland and crops



CEA + ECOSYSTEMS

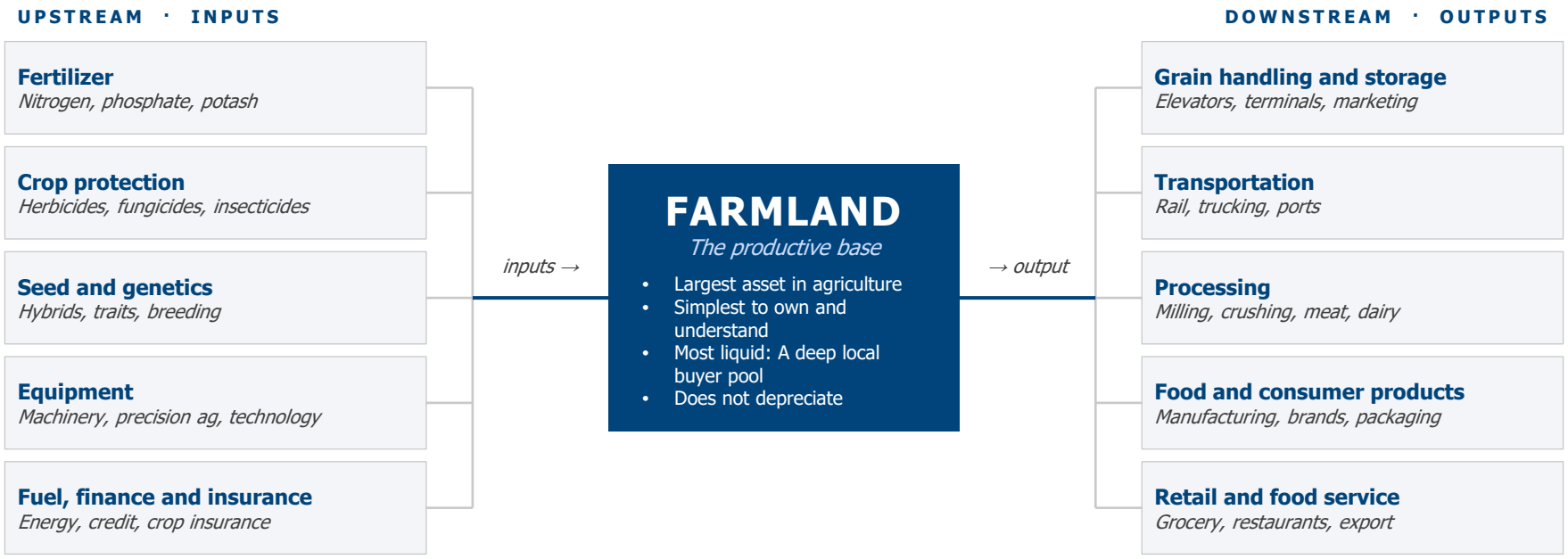
OTHER APPROACHES

Greenhouses and environmental value

Illustrative grouping based on AIMCo Renewable Resources investments; not an official AIMCo classification taxonomy.
Sources: AIMCo, Infrastructure & Renewable Resources; AIMCo investment announcements.

Canadian Farmland: Foundation of Agriculture and Food Production

Every dollar in agriculture passes over the land. Farmland is the largest, simplest and most liquid asset in the space—and the only one that does not depreciate.



Illustrative map of the agriculture value chain. Sector groupings are indicative and not exhaustive.

Canadian Farmland Supports Union Jobs

From fertilizer to freight, union-represented workers are embedded throughout the Prairie crop system



GROW →

~3,500

UNIONIZED POTASH WORKERS

Across Saskatchewan's 8 unionized potash mines

Producing a key fertilizer input used to grow Prairie crops



HANDLE →

~1,500

GSU-REPRESENTED WORKERS

Across Western Canada

GSU members handle and store Prairie crops; UFCW members work in crop processing



MOVE →

>20,000

UNION-REPRESENTED RAIL WORKERS

Across Teamsters/TCRC, Unifor, IBEW and USW

OPERATE | **SERVICE** | **SIGNAL** | **MAINTAIN**

Operating crews, mechanical and terminal trades, signal electricians and track maintenance workers all play important roles across the vast rail network that pushes Prairie grain to market



EXPORT

>7,000

ILWU-REPRESENTED PORT WORKERS

Across B.C.'s West Coast port system

Moving cargo through Canada's Pacific gateways

Local 333's 900 grain workers ship the majority of Canadian grain exports through the Ports of Vancouver and Prince Rupert

WHEN THE CROP STAYS IN CANADA

PROCESS → PACKAGE → WAREHOUSE → DISTRIBUTE

Food and crop processing

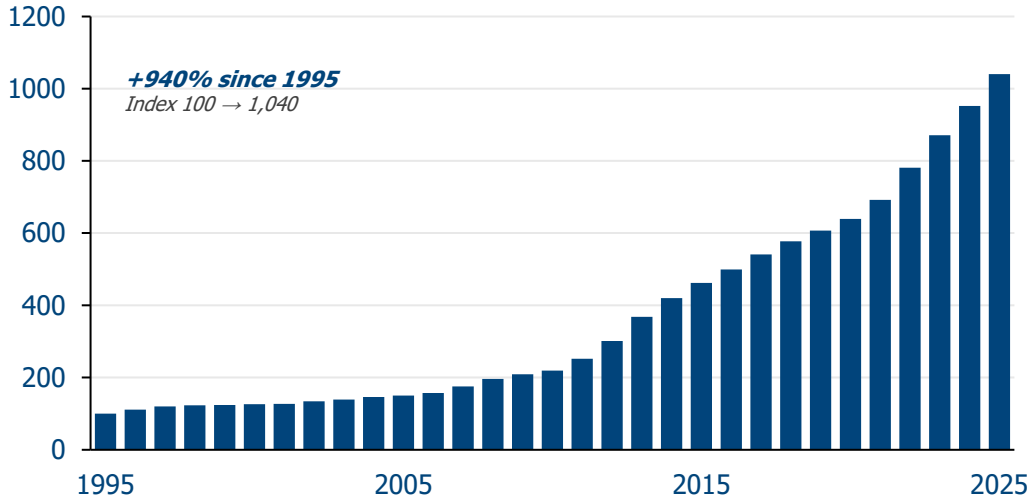
Warehousing and distribution

The Long-Term Investment Case for Canadian Farmland

Durable, low-volatility appreciation, with forward-looking fundamentals intact

Canadian Farmland Values—Indexed

National average farmland values, 1995–2025 (1995 = 100). Source: Farm Credit Canada.



KEY POINTS

33 consecutive years of rising values

Farm Credit Canada has reported a national increase every year since 1993—through the dot-com bust, the financial crisis and the pandemic

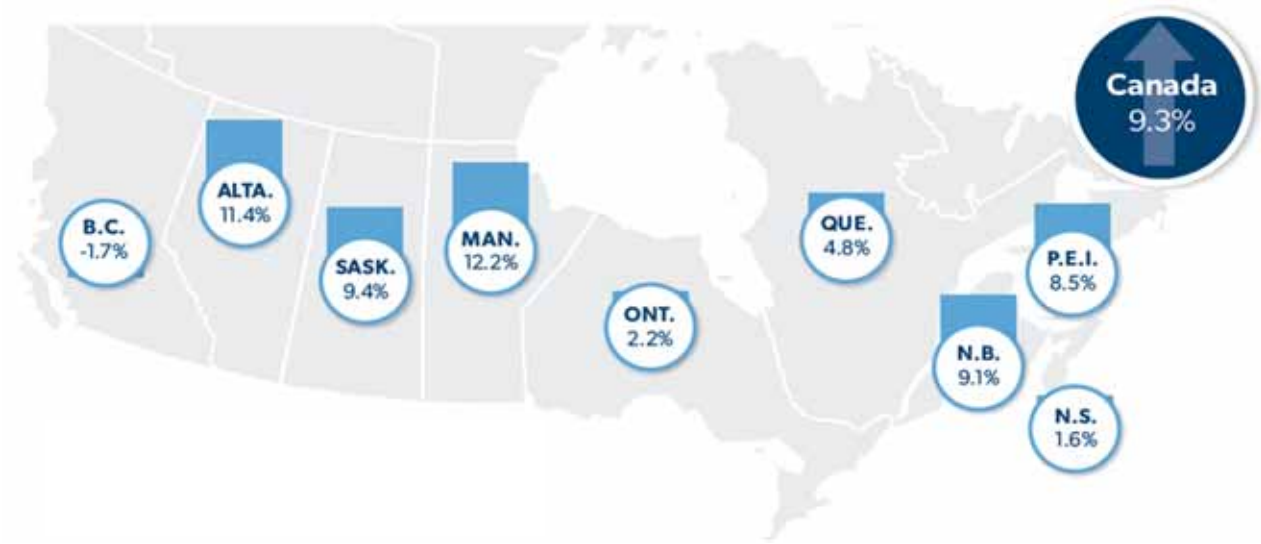
10x

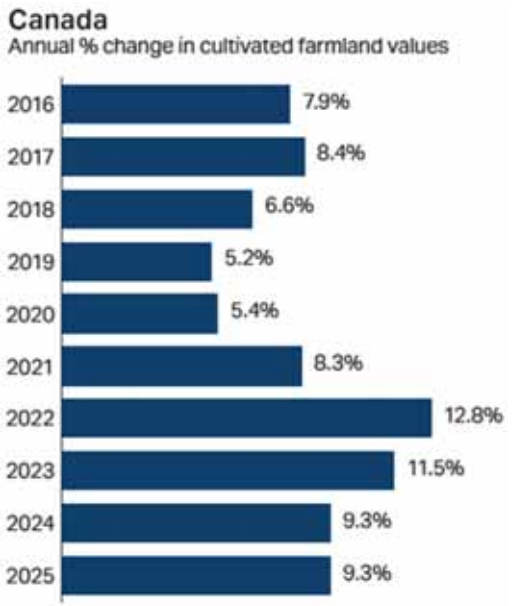
- $1 of Canadian farmland in 1995 is worth about $10 today
- ~8.1% compounded annually over 30 years

Source: Farm Credit Canada, Historic FCC Farmland Values Report 1986–2025 (published March 2026). National average annual % change, compounded from a 1995 base.

Canadian Farmland Values by Province—2025

Average annual change in cultivated farmland values





The Prairie provinces led the country in 2025

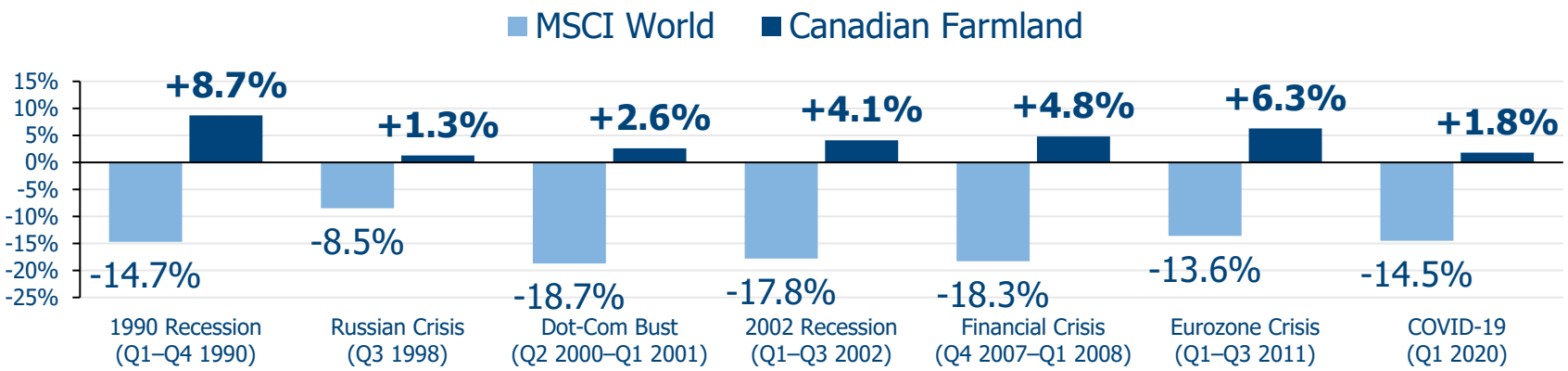
Source: Farm Credit Canada (FCC), 2025 Farmland Values Report. Geographic map recreated; province labels are approximate. Value changes are not total investment returns.

Capital Preservation Through Market Stress

Canadian farmland delivered positive returns through every major equity drawdown of the last 35 years

Performance During Major Equity Drawdowns—MSCI World vs. Canadian Farmland

Total return over each crisis window; Low cross-correlations have persisted across 35 years and seven distinct shocks



7 of 7	Crises with positive farmland return	**−15%**	Average MSCI World drawdown	**+4.2%**	Average farmland return in those windows

Sources: Statistics Canada; Bank of Canada; MSCI; NCREIF Cropland. Windows: 1990 Q1–Q4; Russian Crisis Q3 1998; Dot-Com Q2 2000–Q1 2001; 2002 Q1–Q3; GFC Q4 2007–Q1 2008; Eurozone Q1–Q3 2011; COVID-19 Q1 2020.

Consistent Appreciation, Infrequent Drawdowns

Comparable long-run returns to equities—at roughly one-third the volatility, with far fewer down years

Up Years vs. Down Years—71-Year Return Profile (1954–2024)

Arrows show count of up/down years; bars show average annual return in those years.



64 vs. 7	Farmland up vs. down years over 71 years	**≈ Same**	Annualised return vs. S&P 500	**~⅓**	Volatility relative to equities

Sources: Statistics Canada; S&P 500 Index; NYU Stern bond return database; Veripath analytics. 1954–2024.

More Demand, Less Land

Rising demand against shrinking land and water—the forces that make productive farmland scarcer, and more valuable, over multi-decade horizons

~10B

by 2050 · +22%

Global population

Up ~22% from 8.2B today
Most growth in food-importing regions in Asia and Africa

1/3

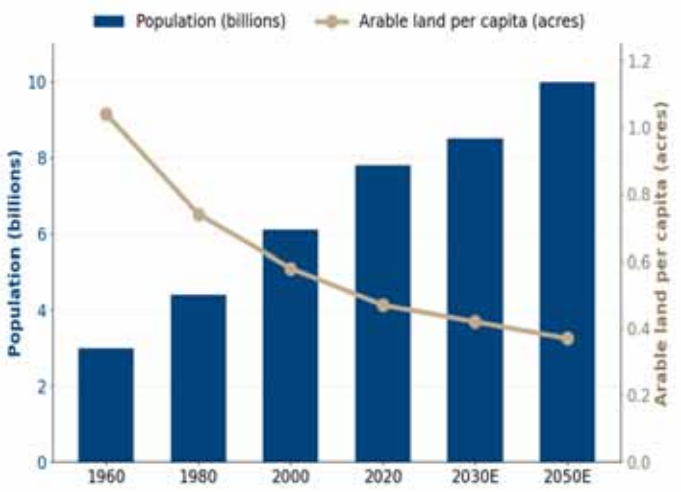
lost in 40 years

World's arable land

Erosion and pollution—supply is shrinking

Population Growth vs. Arable Land per Capita

Demand rises as land per person falls—2030 and 2050 figures are projections



Sources: UN World Population Prospects 2024, medium variant (9.7B in 2050, rounded; 10B by c. 2060); World Bank/FAO arable land per capita; Grantham Centre for Sustainable Futures (2015), arable land lost to erosion and pollution.

The Protein Multiplier

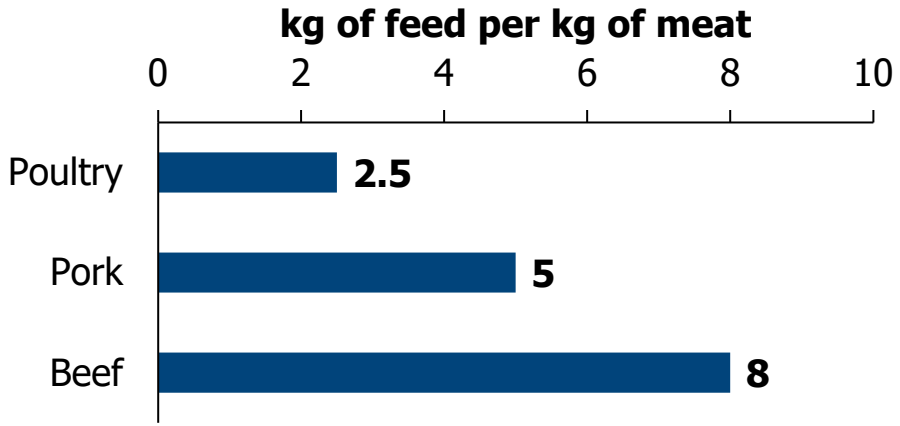
A kilogram of additional animal protein requires several kilograms of additional crop production—so dietary shift amplifies acreage demand

~2x — **Growth in animal-protein demand by 2050**

2–10 kg — **Feed grain required per kg of meat produced, poultry through beef**

Feeding a wealthier population is not a one-for-one increase in crop output: Every kilogram of meat carries several kilograms of grain behind it. Dietary shift, not headcount alone, drives the acreage required.

Feed Grain Required per Kilogram of Meat



Sources: FAO, World Agriculture Towards 2030/2050 (meat output roughly doubling 2000–2050); OECD-FAO Agricultural Outlook; peer-reviewed feed-conversion literature. Ratios are indicative live-weight midpoints and vary by production system and feed mix.

What If China Ate Just Two More Eggs per Person, per Week?

≈1.4B PEOPLE

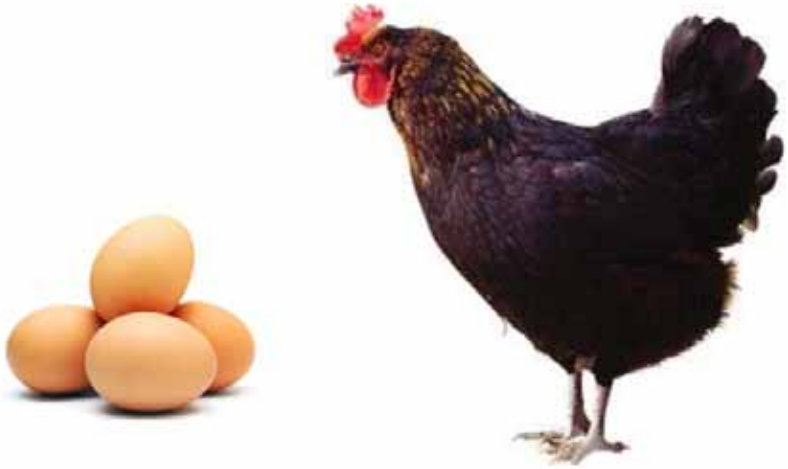
× 2 eggs / week × 52 weeks

≈146 BILLION

additional eggs per year

≈24 TRILLION L

embedded water footprint



Small dietary changes become enormous demands on land and water at population scale

More protein → more feed → more productive farmland → more water

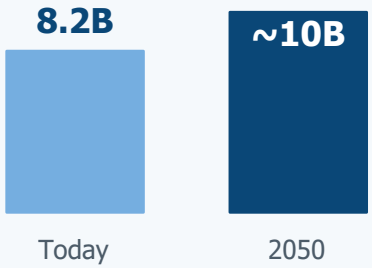
Sources: National Bureau of Statistics of China (2025 population); Water Footprint Network/Mekonnen & Hoekstra. Illustrative calculation: 50 g/egg × ~3,265 L/kg global-average egg water footprint. Water footprint includes green, blue and grey water; it is not equivalent to irrigation withdrawals.

More People, More Food, Limited Land

Growing populations and changing diets increase pressure on agricultural production

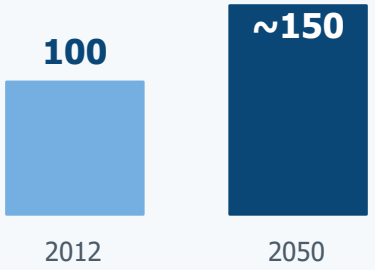
+2 BILLION

MORE PEOPLE BY 2050



+50%

MORE AGRICULTURAL OUTPUT



The challenge: Producing more food from a limited base of productive farmland

Sources: UN World Population Prospects 2024, medium variant (9.7B in 2050, rounded); FAO, The Future of Food and Agriculture (2017) — ~50% more agricultural output by 2050 vs. 2012. Projections, not forecasts.

More Food, Same Land, Higher Productivity

Four ways to increase production on existing farmland



SOIL HEALTH

Protecting long-term fertility



PRECISION AGRICULTURE

Using inputs more efficiently



CROP PROTECTION

Reducing preventable losses



SEED AND GENETICS

Improving resilience and yields

The challenge: Produce more from each acre—sustainably

Illustrative productivity drivers. Source: supplied presentation; FAO/OECD-FAO and agronomic literature.

Canadian Farmland by the Numbers

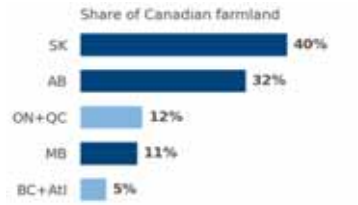
The structural case, anchored in data

153.7M

acres

Total Canadian farmland

Prairie provinces hold 82% of the national total

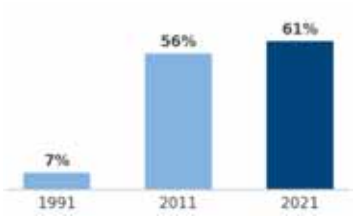


61%

no-till

Land seeded without tillage

Up from 7% in 1991—Builds soil carbon, holds moisture, cuts erosion

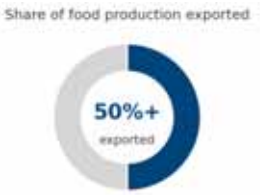


$100B

in 2024

Agricultural and food exports

More than 50% of Canadian food production is exported

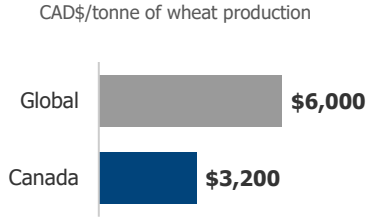


~47%

discount

Canada vs. global farmland pricing

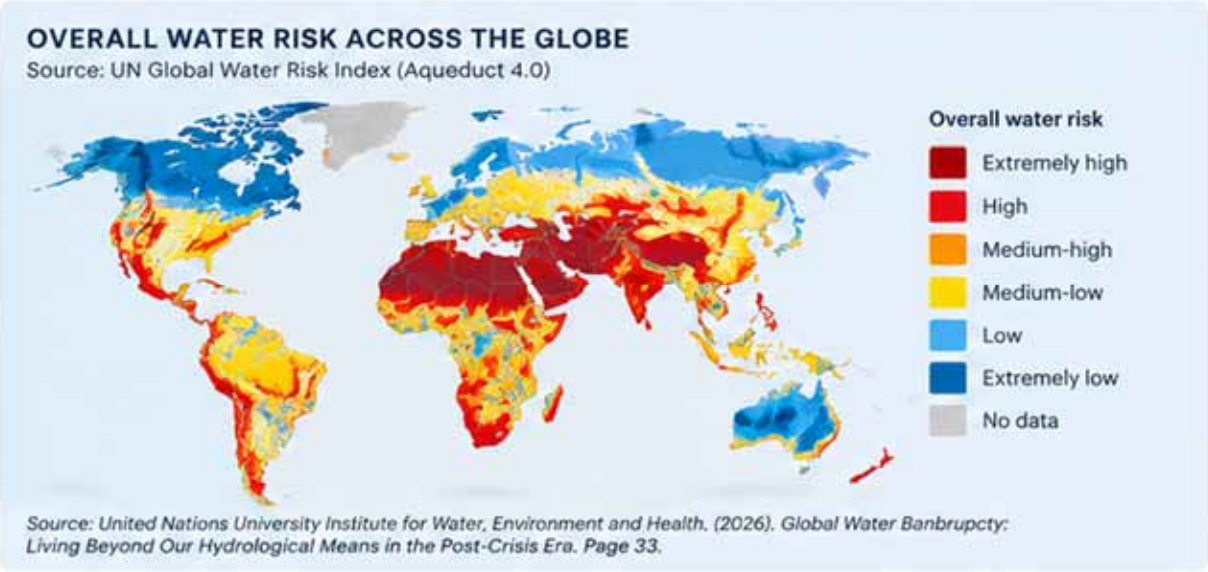
CAD$3,200 vs. $6,000 per tonne of wheat production capacity



Sources: Statistics Canada (2021 Census of Agriculture; 1991 & 2021 tillage practices); Agriculture and Agri-Food Canada (2024 trade); Savills Research; Veripath Partners analytics.

Canada's Water Advantage

A relative strength in a water-constrained world



Source: United Nations University Institute for Water, Environment and Health. (2026). Global Water Banbrupcty: Living Beyond Our Hydrological Means in the Post-Crisis Era. Page 33.

01 FRESHWATER

02 RAINFED FARMLAND

03 CLIMATE RESILIENCE

Source: UNU-INWEH, Global Water Bankruptcy (2026), p. 33. Map reproduced from supplied slide.

Canada Has Every Ingredient of a Strong Agriculture Sector

Reliable water, good soil, a favourable climate, strong infrastructure and access to export markets—Five conditions that rarely occur together, and Canada has all of them



Reliable water

Rain-fed prairie moisture and abundant freshwater reserves, with little reliance on stressed aquifers



Good soil

Deep black and dark brown prairie soils with high organic matter and proven yield potential



Favourable climate

Cold winters suppress pests and disease, long summer days drive yield; Warming lengthens the Prairie season while stressing rival regions



Strong infrastructure

Rail, road and port capacity purpose-built to move grain and oilseed to tidewater



Export market access

Trade agreements and established buyer relationships across Asia, Europe and the Americas

And that is Canada.

The combination—not any single factor—is what makes Canadian farmland institutionally investable.

Sources: FAO; Statistics Canada, 2021 Census of Agriculture; Agriculture and Agri-Food Canada; Canadian Grain Commission.

Not All Farmland Is the Same

Distinct agricultural uses create different investment and risk exposures

Lower risk → Higher risk



Annual/Row Crops

Crops planted and harvested annually, with flexibility to rotate production

- Wheat, canola, corn, soybeans and pulses
- Typically produced in rotation
- Generally lower per-acre establishment costs
- Production can adapt to market conditions



Pasture/Grazing

Natural and seeded grassland supporting livestock production

- Supports cattle and other livestock
- Natural and improved pastureland
- Typically, fewer annual crop inputs
- Returns depend on land value and grazing capacity



Specialty Crops

Specialized crop production, often requiring more intensive inputs

- Vegetables such as potatoes, carrots and onions
- Often higher labour and input requirements
- More intensive operating considerations
- Distinct market and processing dynamics



Permanent Crops

Long-lived plantings that produce across multiple growing seasons

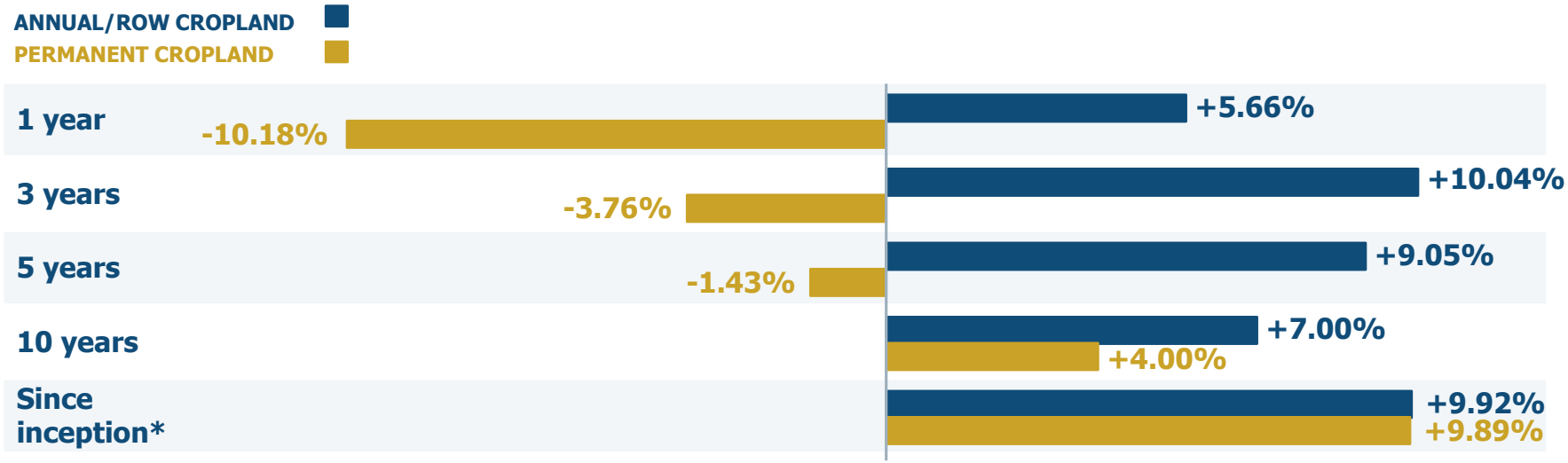
- Orchards, vineyards and perennial fruit crops
- Multi-year productive life
- Often higher upfront establishment costs
- May require irrigation and intensive management

Illustrative categories; specialty crops may overlap with annual and permanent crops.

Annual/Row vs. Permanent Cropland

Similar long-term outcomes; Very different risk (volatility) profiles

NCREIF Farmland Index | U.S. institutional farmland | Returns through December 31, 2024



Educational takeaway: Crop type matters—returns reflect different capital, biological and operating risks

Source: NCREIF Farmland Index, returns through December 31, 2024. 3-, 5-, 10-year and since-inception returns annualized. *Since inception: The NCREIF Farmland Index began in Q1 1991, so the since-inception figures cover roughly 34 years (1991–2024) for both the annual/row and permanent cropland sub-indices. U.S. benchmark; not Canadian farmland or fund performance. Historical returns do not establish causes or predict future results.

Operated vs. Non-Operated: Who Carries the Risk?

Crop prices are far more volatile than land—Who absorbs that volatility depends on the ownership model

NON-OPERATED

Own the land, lease it to a farmer—Income is a contracted cash rent

You carry: Land-value risk · tenant risk

Lower risk to the investor

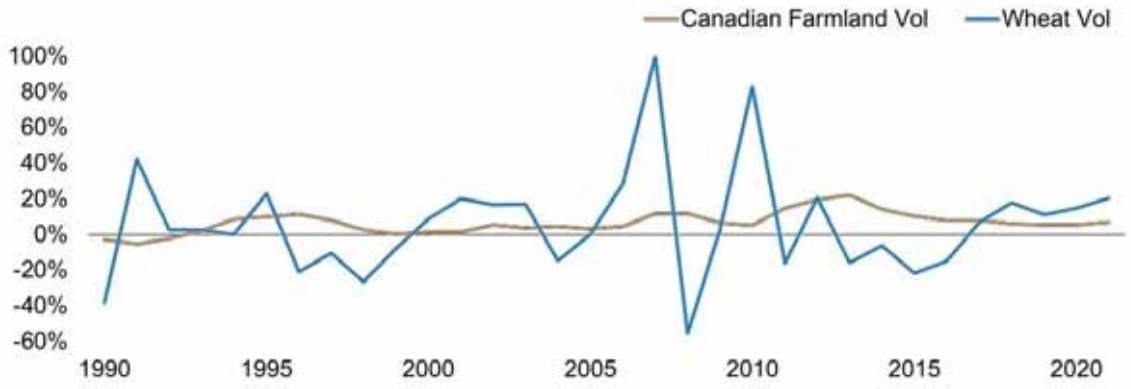
OPERATED

Own the land and farm it—Income is crop revenue less costs

You take on: Commodity price risk · weather and yield risk · operational risk (inputs, labour, machinery)

Higher risk to the investor

Crop-price volatility vs. land-price volatility, 1990–2021



4x

Crop prices have been roughly four times as volatile as Canadian farmland values

(~29% vs. ~7% standard deviation, 1990–2021)

Operating the land means owning that volatility. Leasing it means passing most of it to the tenant.

Sources: Macrotrends (wheat); Farm Credit Canada, Statistics Canada (farmland). Annual changes, 1990–2021.

Understanding Farmland Return Drivers

Two sources of return—and what they add up to

LAND APPRECIATION

~8%

a year, compounded, 1995–2025

FCC national index—33 consecutive years of gains

+

CASH RENT

3–4%

gross yield on land value

Non-operated: Collect the rent; the tenant carries the crop
Operated: Farm it yourself—more upside, more risk

=

TOTAL RETURN

~11–12%

a year, gross

Before costs, fees and taxes
Illustrative, not a forecast or a fund return



Share of the total return, 30-year illustration

Real assets • Agricultural income • Inflation-linked fundamentals

Sources: Farm Credit Canada, Farmland Values Reports 1995–2025 (national average appreciation, compounded); cash-rent yield is an indicative gross range for Prairie cropland. Illustrative, not a forecast or fund return.

An Inflation-Plus Benchmark

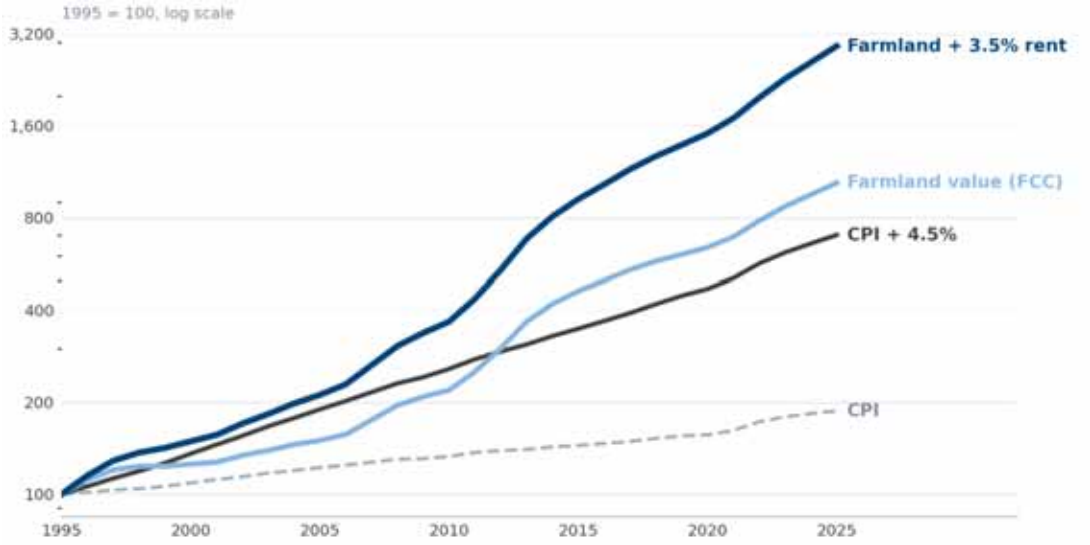
Did farmland clear the hurdle Canadian plans actually use?

AIMCo RENEWABLE RESOURCES BENCHMARK

CPI + 4.50%

Total CPI, lagged one month; five-year rolling average
Applies to agriculture and timberland

~6.7%	a year—the CPI+4.5% hurdle, 1995–2025
~8%	a year—farmland value alone (FCC)
~11–12%	a year—value plus 3–4% cash rent



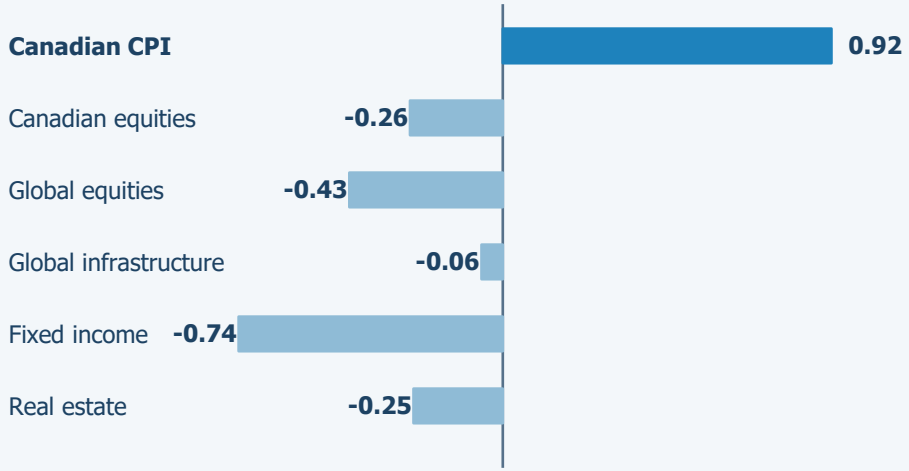
Land value alone beat the inflation-plus hurdle; add rent and the margin roughly doubles.

Sources: AIMCo 2025 Annual Report, Performance Benchmarks — Renewable Resources (Total CPI 1-month lagged + 450 bps); Statistics Canada, CPI all-items annual average (Table 18-10-0005-01); Farm Credit Canada, Farmland Values Reports. Benchmark shown compounded annually from 1995 for illustration; rent line assumes a constant 3.5% gross yield reinvested. Gross of costs and fees; not a fund return.

Canadian Farmland: Inflation Sensitivity and Diversification

Different return drivers can strengthen portfolio diversification

HISTORICAL CORRELATIONS | 2015–2024



A DIFFERENT SOURCE OF RETURNS

0.92 Correlation with Canadian Inflation (CPI)

DIFFERENT RETURN DRIVERS

Farmland returns reflect land values, rental income and agricultural fundamentals—not just corporate earnings or bond yields

Historically inflation-sensitive, Distinct from conventional assets

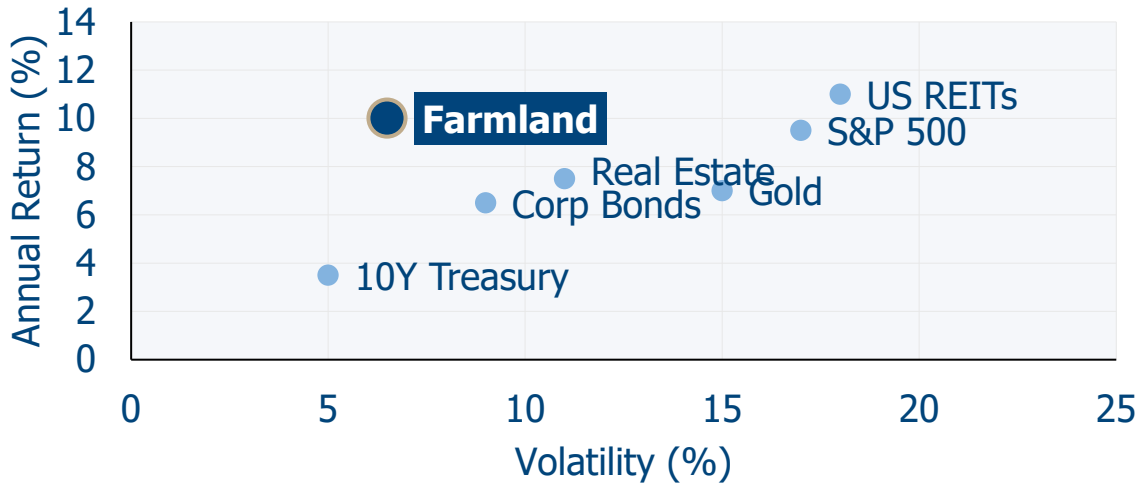
Source: Blacklock & Carter, Investing in Agricultural Opportunities and Technology, 59th Annual Canadian Employee Benefits Conference, slide 16. Statistics Canada; Ibbotson; MSCI; Yahoo Finance; ICE BofA/FRED; Vanguard (via Investing.com). Reported correlations, 2015–2024; not independently recalculated.

Farmland Risk-Adjusted Returns

Measured per unit of risk, farmland has delivered among the strongest returns of any major asset class

Return vs. Volatility, 1992–2025

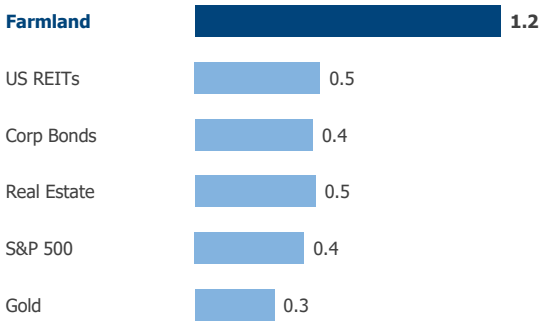
Farmland sits alone in the upper-left: high return, low volatility



SHARPE RATIO, 1992–2025

~1.2

Farmland—roughly 2.5x to 3x the risk-adjusted return of the S&P 500



Sharpe = (return − risk-free rate) ÷ volatility; risk-free ≈ 2.5% (avg. US T-bill, 1992–2025). Derived from the chart values; indicative.

Sources: NCREIF Farmland Index; S&P 500; Nasdaq US REITs; Moody's Baa; HITCO Gold; US 10Y Treasury (1992–2025). ACPM/ACARR. U.S. benchmark data; not Canadian farmland or fund performance.

Common Misconceptions

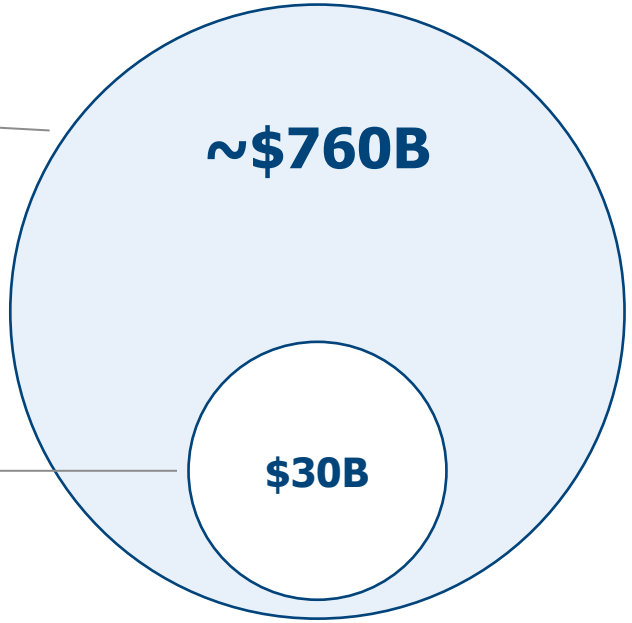
Canada: A Large and Liquid Market With Steady Turnover

Roughly $30 billion of Canadian farmland changes hands every year—A market nearly a fifth the size of the TSX, turning over at about half the rate of commercial real estate

Total Canadian farmland market
~18% the size of the TSX

Annual turnover
~$30B changes hands each year—roughly half the liquidity rate of commercial real estate

Hundreds of titled parcels, a deep local buyer pool and recorded sale prices make this a market, not a one-off asset



Sources: Statistics Canada (Balance sheet of the agricultural sector, Dec. 31, 2025 — farmland value); Farm Credit Canada; TSX (market cap c. $4.2T, 2025); Omnigence turnover analysis (2017), updated to current farmland value; CBRE. Turnover and comparisons approximate.

Corporate Farms Are Not Taking Over

Most "corporate farms" on Canadian farmland are family farms that have grown and incorporated—And they remain rooted in their communities

2.4% of Canadian farms are non-family corporations (2021 Census of Agriculture)

~22% of Canadian farms are family corporations—family farms that chose to incorporate

4x growth in average Canadian farm size over the past century, from ~200 to 809 acres

01 Incorporation is a business structure

Families incorporate for tax planning, succession and liability reasons. The name on the title changes; the people farming the land do not.

02 Large farms are family farms that grew

Today's large operations are typically parents, children and siblings farming together, built up one purchase at a time over generations.

03 They still live where they farm

Their children attend the local school and play on local teams, and the family shops and does business in town.

04 They still carry the community

Farm families coach, sponsor local sports, serve on boards and councils and staff volunteer fire departments.





Sources: Statistics Canada, 2021 Census of Agriculture (farms classified by operating arrangement; farm size). Family corporation share is approximate.

Key Takeaways

FARMLAND:
A real asset, in a real jurisdiction, aligned with real pension obligations

Key Takeaways

1. **Farmland is the foundation of the food system.**
   Every dollar in agriculture passes over the land. It is the largest, simplest and most liquid asset in the complex—and it does not depreciate.
2. **The track record is long and quiet.**
   ~8% a year nationally since 1995, 33 consecutive years of gains, and positive returns through every major equity drawdown since 1990.
3. **Demand is structural; supply is not.**
   ~10B people, ~50% more output needed by 2050, and less arable land per person every year. Canada has the water, soil, climate and infrastructure.
4. **Not all farmland is the same.**
   Annual/row crops, held non-operated, carry far less volatility than permanent crops or operating the farm yourself.
5. **It behaves differently from what you already own.**
   ~0.9 correlation with CPI, low or negative correlation with equities and bonds, and a return that cleared the CPI+4.5% hurdle on land value alone.

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Session Evaluation