



Case Study: A sustainable turnaround at Delavan Farm



Project overview

The Kempen SDG Farmland Fund acquired Delavan Farm, a 600-acre agricultural operation, in February 2022. US Agriculture, LLC (US Agriculture) represents the fund in the US as our local partner and proudly presents this deal. The farm is located within a critical watershed that feeds into Delavan Lake, a popular recreational area. The acquisition was driven by long-standing issues of soil erosion and nutrient runoff, which have contributed to algae blooms and declining water quality in the lake. These issues have placed significant financial burdens on local residents.



David Martin
Managing Director,
US Agriculture

“This project offers a unique opportunity to make a lasting difference, not just for the farm’s productivity, but for the health of the lake and the well-being of the entire community.”

Highlights

Implementation of sustainable practices

To address soil erosion and water runoff, several sustainable agriculture practices were presented. These included reducing tillage, planting cover crops, installing subsurface drainage tiles, and reshaping the farm’s grass waterways.

Community collaboration

We work closely with local organisations such as the Natural Resources Conservation Service, Ducks Unlimited, and the Delavan Lake Improvement Association. This collaboration focused on improving drainage and controlling erosion, benefiting both the farm and the local community.

Wetland restoration project

A significant part of the project was the creation of a 55-acre wetland restoration area. This wetland was designed to filter water from the surrounding watershed, helping to reduce the amount of phosphorus and other crop nutrients entering Jackson Creek. The restoration also included open water and native grasses and wildflowers to create a habitat for nesting birds and other wildlife.



Project summary

The Delavan Lake watershed has experienced significant soil erosion, which has contributed to high phosphorus levels in the lake. Around 69% of the water entering the lake comes from Jackson Creek¹, which runs adjacent to Delavan Farm. Recognising the urgency of the situation, we implemented a series of sustainable practices to address these environmental challenges and issues and enhance the farm's productivity.

To manage these risks effectively, US Agriculture implemented several strategies, including reducing tillage, planting cover crops, installing subsurface drainage tiles and reshaping grass waterways.

We have actively engaged with local stakeholders, including conservation organisations and community associations, to gather feedback and address concerns. Early meetings revealed a strong desire from local groups to improve drainage and erosion control, which we are committed to enhancing further.

Past performance is not indicative of future results
¹ US Geological survey response in the water quality of Delavan Lake, 2021

Highlights

Key features

Location:
Delavan, Wisconsin

Size:
600 acres

Main crops:
Corn, soybean, wheat

Watershed size:
26,000 acres

Recreational lake size:
2,000 acres

Impact

Biodiversity and habitat creation

Details

The wetland was designed with native grasses and wildflowers to support wildlife, particularly creating habitats for nesting birds.

Balancing economic and environmental goals

The project demonstrates how sustainable outcomes can be achieved alongside financial returns, benefiting both investors and the local community's well-being.

Educational opportunity

The project serves as a model for sustainable farming practices, offering learning opportunities for others in the region.

Community engagement

Local stakeholders, including the Delavan Lake Improvement Association and Ducks Unlimited, were actively involved to ensure the project meets both environmental and community needs.

Source: Van Lanschot Kempen Investment Management and US Agriculture, LLC

Disclaimer

Van Lanschot Kempen Investment Management NV (VLK Investment Management) is licensed as a manager of various UCITS and AIFs and authorised to provide investment services and as such is subject to supervision by the Netherlands Authority for the Financial Markets. This document is for information purposes only and provides insufficient information for an investment decision. This document does not contain investment advice, no investment recommendation, no research, or an invitation to buy or sell any financial instruments, and should not be interpreted as such. The opinions expressed in this document are our opinions and views as of such date only. These may be subject to change at any given time, without prior notice.

General risks to take into account when investing in Farmland

Please note that all investments are subject to market fluctuations. Economic downturns and market fluctuations can significantly reduce returns and affect rental income, property values, and dividend payments. Environmental, social, and governance events can negatively impact investment value and overall portfolio risk. Farmland investments have a low vacancy risk, but asset allocation and investment selection can affect returns. Farmland is not a liquid asset class, and external factors may also affect the liquidity of individual farms. Tenant defaults can affect returns and working capital. Currency exchange rates can impact the asset value of the Fund. Government-related risks, including taxation and legislation, can affect financial performance and investment returns. Incorrect asset valuation can negatively impact the Fund's return.

The value of your investment may fluctuate, past performance is no guarantee for the future. Do not take unnecessary risks. Before you invest, it is important that you are aware of and are informed about the characteristics and risks of investing. This information can be found in the available documents of the strategy and/or in the agreements that are part of the service you choose or have chosen.

Van Lanschot Kempen Investment Management NV is the management company of the Kempen SDG Farmland Fund (the "Fund"). Van Lanschot Kempen Investment Management NV is authorised as a management company and regulated by the Dutch Authority for the Financial Markets (AFM). The Fund is registered under the license of Van Lanschot Kempen Investment Management NV at the Dutch Authority for the Financial Markets (AFM). The Fund is notified for offering in a limited number of countries. The countries where the Fund is notified can be found on the website. The Fund is only available for professional investors. The information in this document provides insufficient information for an investment decision. Please read the placement memorandum in the Terms & Conditions (available in English). These documents are available on the website of Van Lanschot Kempen Investment Management NV (www.vanlanschotkempen.com/investment-management). The information on the website is (partly) available in Dutch and English.

For more information about the sustainability features of the fund, please visit the Sustainability-Related Disclosures page at <https://www.vanlanschotkempen.com/en-nl/investment-management/fund-library>

Kom verder

{sharing the path to success}

Supporting and guiding over the long term with a clear goal in mind, that's sharing the path to success, we call it Kom verder.



Beethovenstraat 300
1077 WZ, Amsterdam
Netherlands