

Where data drives decisions in farmland investing

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What changes decisions, and why that matters

Farmland investing is increasingly framed through data, dashboards and technology. As scrutiny has grown, investors are less focused on whether data exists and more on where it actually changes decisions.

For investors, this is where the advantage becomes clear. The value is not in having more data, but in using it to challenge assumptions early and filter out weaker opportunities in order to commit capital with a clearer understanding of where the real risks sit.

Outcomes are driven by how land is managed in practice, with crop selection, water availability and operator capability shaping performance across assets and regions. Data is used to narrow options, test assumptions and, in some cases, reject opportunities. The process is less about building a case and more about testing whether it holds up under real-world conditions.

Data does not make the case, it tests whether it holds.

Where data changes decisions in practice

In practice, this shows up in how decisions are structured and tested. Rather than being used continuously, data tends to play a more specific role at key points in the investment process, particularly when determining whether an opportunity should proceed and whether its assumptions hold up.

Before investing, the focus is on whether an opportunity should proceed at all.

What data is used for in the investment process

Stage	Focus	Decision impact
Initial screening	Climate, water, crop fit, market context	Removes unsuitable opportunities early
Investment case	Yield and cost assumptions, operating model, operator capability	Tests whether the case is realistic
Due diligence	Verification of key assumptions	Determines whether to proceed or walk away
Ownership	Repeatable indicators and monitoring	Supports oversight and comparability over time

Turning information into discipline

A credible investment process shows how information moves through decisions. In farmland investing, that typically means structured gates that translate research and modelling into consistent decision-making.

The three-gate solution for farmland

Gate	What it is for	What is tested
Gate 1: Initial fit	Quick screen on whether the opportunity should proceed	Crop-region fit, portfolio guidelines, water and sustainability profile
Gate 2: Investment memorandum	Detailed modelling and investment case	Land price, yield assumptions, financial projections, operator details, business case
Gate 3: Due diligence	Verification of assumptions and downside testing	Soil samples, water rights, legal checks, operator background, environmental constraints, yield evidence from comparable farms

This structure is attractive to investors because it is legible. It shows where data is used, what it is used for, and where challenge is built in. Most importantly, it shows that a deal can be declined even after significant work, because decisions are designed to change when assumptions do not hold.

Crop selection and regional fit

Crop selection begins with what a region can sustain over time, not just what can be grown in theory. Some high-value crops can technically be grown in southern Europe, but water intensity and long-term viability can outweigh potential returns.

A simple example illustrates the discipline. Avocados can be grown in parts of southern Europe, but they are water intensive in a water-sensitive region. In that context, this leads to a decision not to pursue them, with crops better aligned with local conditions often preferred.

These decisions are rarely driven by a single dataset. They come from a combination of climate analysis, market insight and local understanding of how land performs over time. The outcome is a clearer view of what can realistically be owned and managed over time, with unsuitable opportunities filtered out early.

This stage is not driven by automation alone. It combines market data, yield information and cross regional analysis to assess competitiveness. Where analysis suggests a crop performs better elsewhere, the approach is to move on rather than force a fit.

- Crop choices grounded in long-term regional suitability
- Fewer high-input opportunities in water-constrained areas
- Earlier rejection of marginal opportunities

Due diligence: where decisions change

The value of data becomes clearer during due diligence. This is often where the investment case is tested in detail and where assumptions are most likely to shift. What appears viable early on can change once underlying risks are examined more closely.

This is where issues most often emerge in practice. Deals can fall through as risks become clearer, particularly around water, environmental exposure and operator or tenant structure.

Decisions in practice

These examples illustrate how information is used to test assumptions and, where necessary, change the outcome:

Water risk (New Zealand)

Initial assessment of a proposed permanent crop development suggested that water access had been secured through licensed boreholes. Further investigation, including hydrological analysis, showed the aquifer was connected to protected river systems with minimum environmental flow requirements, which could restrict access in drier conditions. This introduced uncertainty around future water availability. The long-term regulatory position remained uncertain, particularly given the potential for tighter controls on water abstraction. This led to a decision not to invest due to water risk.

Operator structure (blueberry tenant)

Initial yield assumptions supported a commercial blueberry operation under a tenant structure. Detailed analysis of lease terms, cost base, debt levels and projected cash flows showed the model relied on leased land and debt-funded expansion. Scenario testing of these assumptions under different pricing and growth conditions raised concerns about how downside would be shared if growth slowed or financing conditions changed. The opportunity was declined. The strength of the yield case did not offset structural risk.

Crop and location fit (Southern Europe)

Initial screening identified high-value permanent crop potential in a southern European region. Further analysis of water requirements, input intensity and local resource constraints highlighted long-term sustainability concerns. Detailed assessment showed the crop required significantly higher water use than is typical for the region, particularly compared with established alternatives such as olives and citrus. A more suitable crop profile was identified, and the original opportunity was not pursued. The mismatch between crop requirements and local conditions outweighed the initial return case.

From decisions to ownership

Once an investment is made, the focus shifts from selection to how assets are managed over time. Data continues to play a role, but its use shifts. It is applied less to support a single decision and more to tracking performance, testing assumptions and maintaining a consistent view across the portfolio.

What matters at this stage is not the volume of information, but how it is used. Information needs to be comparable over time and grounded in how assets are actually performing, rather than presented as a one-off.

This is also where the reality of private markets becomes clear. Yield and cost data is often highly crop-specific and region-specific. It is not always available in a consistent, standardised form, and there is no simple marketplace for buying granular, comparable data at scale. As a result, insight comes from a combination of operator reporting, local partners, ongoing observation and informal exchanges across the market.

This reflects the reality of the asset class. Capability lies in how information is interpreted and applied, particularly when data is uneven or incomplete. The advantage comes from applying that judgement consistently across different crops and geographies.

Farm visits and on-the-ground observation are part of that reality. Seeing operations at harvest time, understanding how packing facilities work, and assessing water systems such as aquifers are practical ways of testing assumptions that no spreadsheet can fully capture.



Technology on the ground

Farmland has always evolved alongside technology, from tractors to increasingly automated and data-supported systems. Today, data and technology are part of day-to-day management, but their value depends on how they are applied in practice.

Where it is used

- Monitoring crop performance and field variability through satellite imagery
- Tracking weather patterns and seasonal conditions
- Analysing climate-related risk, particularly water availability and yield sensitivity
- Supporting reporting and oversight across farms and regions

What it improves

Technology can improve visibility across assets and over time. It can help sense-check conditions against expectations and identify change earlier, particularly when portfolios span multiple regions. It also supports consistency by making it easier to track the same indicators over time, rather than rebuilding reporting each year.

What it does not change

Weather, biology and local conditions still drive outcomes. Operators still vary widely in capability. Data is often fragmented. Technology supports decision-making, but does not replace judgement in practice.

In practice, even relatively simple tools can add value. A basic dashboard tracking rainfall, sunshine and frost conditions can materially improve yield thinking, yet this is not consistently applied across the market. More advanced approaches, such as integrating weather data, satellite imagery and farm-level inputs into predictive yield models, remain unevenly applied rather than standard practice.

There is also growing interest in using data to better understand broader environmental factors such as soil condition, water systems and ecosystem performance. In practice, this remains early stage. The tools are developing, but they are not yet consistent enough to be relied on across investments.

What matters in practice

A credible farmland strategy is not defined by how much data it can report. It depends on how information is used to support decisions.

In practice, the strongest signals are visible in how decisions are made:

- Screening that rules out weak opportunities early, based on crop-region fit, water constraints and competitiveness
- A decision process where modelling is followed by verification, and where due diligence can change the outcome
- Evidence that operator and tenant risk is treated as central, not secondary
- Ownership monitoring that prioritises repeatable indicators and comparability, rather than novelty
- Technology applied selectively to improve visibility, without over reliance on models.

Farmland does not require perfect information. It requires a process that works under imperfect conditions, where discipline and judgement remain central. In that context, data matters most when it changes what is done, not when it adds complexity.

Final observation

The strongest approaches do not treat technology as a story. They use information to narrow choices, test assumptions and manage assets consistently through changing conditions. This is visible across the investment process, from how opportunities are filtered early to how assumptions are tested and, where necessary, rejected.

Over time, the difference becomes clear. Data that is presented but not used rarely changes outcomes. Data that is applied with discipline often leads to fewer investments and a clearer understanding of risk before capital is committed.

That distinction matters. In farmland, outcomes are driven by decisions that play out in real conditions, across crops, operators and environments. The value of data is not in how much is collected, but in how clearly it informs those decisions.

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