

Clean Fuel Mandates and Canadian Canola Growers – Is it an Ideal Marriage?

An increase in the demand for canola should provide an additional source of real upward pressure on long-term Canadian farmland.

CALGARY, AB, CANADA, February 12, 2021 /EINPresswire.com/ -- Agriculture industry participants believe that Ottawa's pending "clean fuel" rules may be a net positive for canola growers. (1)



In a recent article in the Alberta Farmland Express, Brian Innes, VP of Public Affairs for the Canola Council of Canada, was quoted "We are excited about the opportunity because what drives the demand for feedstock is the ability of that feedstock to lower the carbon emissions of the fuel that is burned, otherwise known as carbon intensity... Canola has a very favourable carbon intensity. Canola is really good at lowering greenhouse gas emissions for fuel." stated Mr. Innes. (1)

Veripath takes a similar long-term view stating that "We believe that an increase in the demand for canola should provide an additional source of real upward pressure on long-term Canadian farmland". said Carmon Blacklock, VP of Investments and Operations.

Veripath Farmland LP ("R Fund") is structured to own farmland in Saskatchewan and Manitoba only, while its sister fund Veripath Farmland (UR) LP ("UR Fund") is structured to own farmland in the rest of Canada excluding Saskatchewan and Manitoba. By using an open-ended, evergreen structure rather than the traditional fixed term approach combined with the split fund offering:

- 1) Investors can select the hold period that best suits their portfolio design requirements;
- 2) Both shorter and longer duration investors can participate in the same vehicle; and
- 3) Provincial regulatory compliance is simplified and streamlined.

In addition, an open-ended approach can be more scalable and the principals of Veripath have experience managing large land portfolios. Aggregate assets managed across three separate

farmland portfolios as of Q4 2020 represent 73,000 acres with an AUM of approximately \$130M.

Canadian farmland represents a market of over 160 million acres with an estimated total capitalization of approximately \$500 billion. The strategy is built around the core premise that the world is in a bull market in agriculture driven by negative real interest rates and incremental demand from emerging markets and, accordingly, investments with direct or indirect exposure to agriculture commodities in a politically stable environment such as Canada should provide above average returns.

Who is Veripath: Veripath is a Canadian alternative investment firm. Members of Veripath's management team have decades of farmland, private equity, and private credit investment experience. Veripath implements its farmland strategy in a way that seeks to preserve as far as possible farmland's low-volatility return profile – the attribute that generates a material portion of Canadian farmland's superior risk adjusted return profile. Veripath does this by seeking to minimize operational, weather, geographic and business-related risks – and capture the pure return from land appreciation. Canadian zero-till farmland portfolios may also be a useful addition to ESG driven mandates combining superior risk adjusted returns with environmental benefits. For more information on Veripath please feel free to register online at www.veripathfarmland.com or call 587-390-8267.

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Sources:

1. <https://www.albertafarmexpress.ca/news/going-green-could-be-golden-for-canola-growers/>

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