Omnigence Applies the Information Ratio to 18 Years of Farmland Returns

New research tests whether Canadian farmland's excess returns reflect a persistent pattern or statistical noise.

CALGARY, AB, CANADA, September 30, 2026 /EINPresswire.com/ -- Omnigence Asset Management ("Omnigence") recently published new research applying the Information Ratio — a statistical measure of excess return per unit of tracking error — to the 18-year quarterly return history of its Canadian farmland platform. The paper, The Information Ratio: Measuring Signal vs. Noise in Canadian Farmland Returns, examines 72 consecutive quarters from Q2 2008 through Q1 2026 and asks a question every allocator faces: is an observed excess return a real, repeatable pattern, or simply noise?

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>
> *Stephen Johnston, Director of Omnigence*

The Information Ratio is closely related to the t-statistic used in hypothesis testing, which allows an observed track record to be assessed for statistical significance rather than taken at face value. Applied across five benchmarks — Canadian inflation, treasury bills, Canadian bonds, the S&P/TSX 60, and the S&P 500 — the framework distinguishes where farmland's excess return has been statistically persistent from where the available data cannot separate signal from benchmark volatility.

Against inflation and fixed income, the signal is unambiguous: annualized Information Ratios of 4.24 versus CPI (t = 18.0), 5.29 versus T-bills (t = 22.4), and 2.33 versus Canadian bonds (t = 9.9), each significant well beyond conventional thresholds. Over the full history, farmland outperformed inflation in 70 of 72 quarters and T-bills in all 72, and the reported quarterly series contains no negative quarters.

The paper is explicit that appraisal-based valuations can understate an asset's true volatility, and it stress-tests its own conclusions accordingly. Alongside the reported figures it presents a desmoothed series and an independent cross-check using Farm Credit Canada transaction data;

the two methods converge on an underlying volatility of roughly 3.5% to 5.1%. Under every volatility assumption tested, the risk-adjusted results remain strong — a Sharpe ratio ranging from 2.86 (using transaction-based volatility) to 6.32 (as reported). Because no quarterly return fell below a 6% annualized hurdle over the full period, the Sortino ratio is undefined under its conventional formulation.

“Every allocator has looked at a track record and wondered whether it’s skill, structure, or just luck,” said Stephen Johnston, a director of Omnigence and lead author of the paper. “The Information Ratio lets you put that question on a statistical footing. When we ran farmland against inflation, cash, and bonds over eighteen years, the excess return clears the significance bar by a wide margin — it looks like a persistent pattern, not a fluke.”

“The equity result is just as interesting, and we were careful not to oversell it,” Johnston added. “Against volatile public indices the numbers aren’t statistically significant, but that’s because the benchmark is noisy, and farmland barely correlates with it. That near-zero correlation is precisely the point: farmland isn’t an equity replacement, it’s an independent return stream. And we tested our own numbers against their weakest assumption, appraisal smoothing, rather than around it.”

The paper was co-authored by Omnigence directors Matt Barr and Barclay Laughland. Omnigence manages the strategy through Veripath, its farmland platform.

AVAILABILITY
The research paper is available on request from Omnigence Asset Management.

About Veripath
Veripath is a partner fund of Omnigence Asset Management, a $1 billion alternative investment platform. Veripath invests in Canadian farmland and manages a portfolio of more than 140,000 acres of row-crop farmland across Canada. Its investment strategy is focused on farmland’s potential to provide long-term value, portfolio diversification, inflation protection and exposure to growing global demand for food, feed, fuel and water.

About Omnigence
Omnigence is a Canadian alternative investment platform focused on farmland, operational private equity, and secondaries with partner funds managing over $1.2 billion. The firm targets fragmented, unfinancialized investment theses where scale, operational complexity, or size constraints limit participation from larger participants and therefore value is more compelling.

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