The Next Phase of Food & Agriculture Investing

A tactical perspective on where the sector stands today, what may unfold through 2030, and how to position for the next 12-18 months.

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I am pleased to share our latest report, published at what feels like a timely moment for food and agriculture. The next 12-18 months could prove especially important, both for investors allocating capital and for those seeking to raise it.

Having worked in this sector since the early 2000s, I find aspects of the current environment familiar. We appear to be approaching a late stage of the economic cycle, with several forces converging at once - geopolitical, monetary, technological, social, demographic, and environmental. Taken together, these dynamics may be creating a renewed window to build or expand exposure to the global food and agriculture asset class.

In this report, we look at the current investment landscape, consider a range of scenarios through 2030, and suggest a more tactical framework for navigating the next 12-18 months.

If our "Fourth Turning" scenario does unfold, the sector could enter a more dynamic phase, echoing periods such as 2005-2008, 2010-2014, and 2020-2022. This time, however, the shift may prove more structural in nature.

We hope you find the report useful, and we would be glad to hear your perspective. Please feel free to share it with others who may find it relevant, and to reach out if you would like to continue the conversation.

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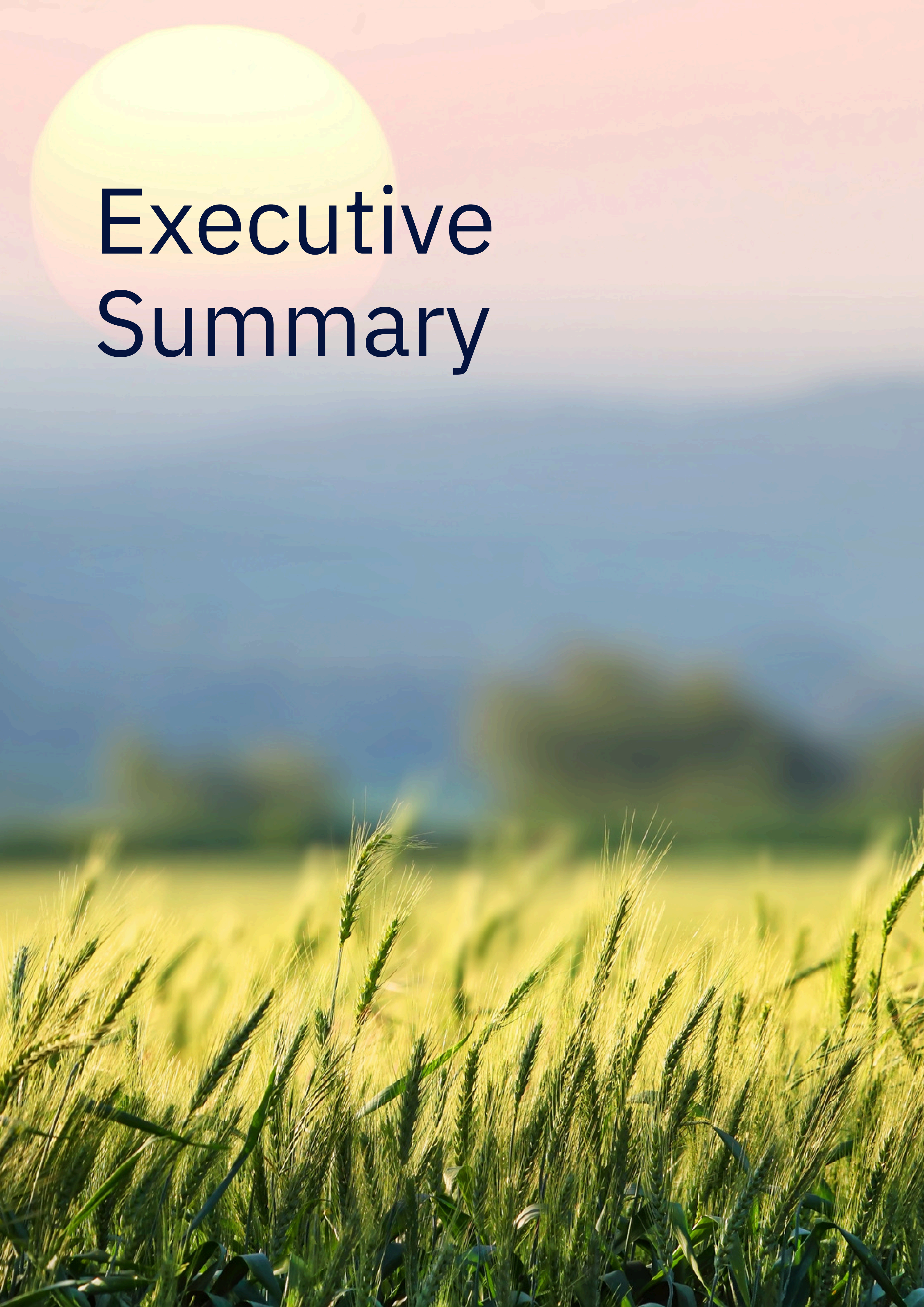


1 Executive Summary

Global food and agriculture remains one of the world's largest and most strategic sectors, underpinned by some of the most critical renewable natural capital in the global economy.

Over the past two decades, it has matured into a mainstream asset class, with capital flowing across farmland, private equity, venture capital, private credit, and a growing range of climate and nature strategies.

The market is now entering a more selective phase. After a strong fundraising cycle that peaked between 2019 and 2022, inflows have moderated, and available dry powder appears likely to decline into 2026. This is particularly visible in AgriFoodTech venture capital, but the shift is broader than that. While this points to a cyclical slowdown, it may also create a more attractive entry environment for investors with patience, discipline, and a clear strategic lens.

One of the central ideas in this report is that the next 12–18 months could represent an especially important window for capital deployment. Food and agriculture are being reshaped by inflation, sovereign debt pressure, geopolitical fragmentation, supply-chain reconfiguration, labour constraints, uneven technology adoption, and rising environmental stress.

In this context, food is no longer simply a commodity exposure; it is increasingly linked to infrastructure, sovereignty, resilience, and strategic optionality.

That backdrop calls for a different investment playbook. The priority now may be resilience over pure efficiency, control over passive exposure, local execution over broad global assumptions, and capital discipline over growth narratives.

In a structurally higher cost-of-capital environment, the strongest positions are likely to be those with pricing power, strategic relevance, cash-flow visibility, and operational depth on the ground. Returns may depend less on broad exposure and more on asset selection, entry timing, and quality of execution.

Against this backdrop, the opportunity set remains compelling. Farmland continues to offer defensive real asset exposure. Private equity remains attractive across the value chain, particularly through more specialised strategies in less crowded segments. Venture capital appears to be entering a more disciplined phase. Private credit continues to stand out, especially in emerging markets where financing gaps remain significant.

Climate and nature also offer meaningful long-term potential, particularly where investment theses are grounded in real assets and diversified revenue streams, rather than relying primarily on carbon markets.

Our view remains constructive. The operating environment is becoming more volatile, but also potentially richer in opportunity. For investors willing to be selective, patient, and tactically positioned, the coming period may offer some of the most attractive entry points seen in recent years.

The State of the Global Food and Agriculture Investment Space

2 | The State of the Global Food and Agriculture Investment Space

Global agriculture and food production systems - built on the world's largest renewable natural capital base - constitute one of the largest and most strategically important investment opportunities in the global economy.

1.50 billion hectares — Of arable land worldwide and another ~3.2 billion ha of pastures and grazing land.

~900 million people — Working in agriculture (~25% share of global workforce).

500+ million farms — The vast majority of which are owned by smallholder farmers.

~10% of global GDP — Global agriculture is ~4% of GDP, with the agrifood system reaching over 10% of GDP.

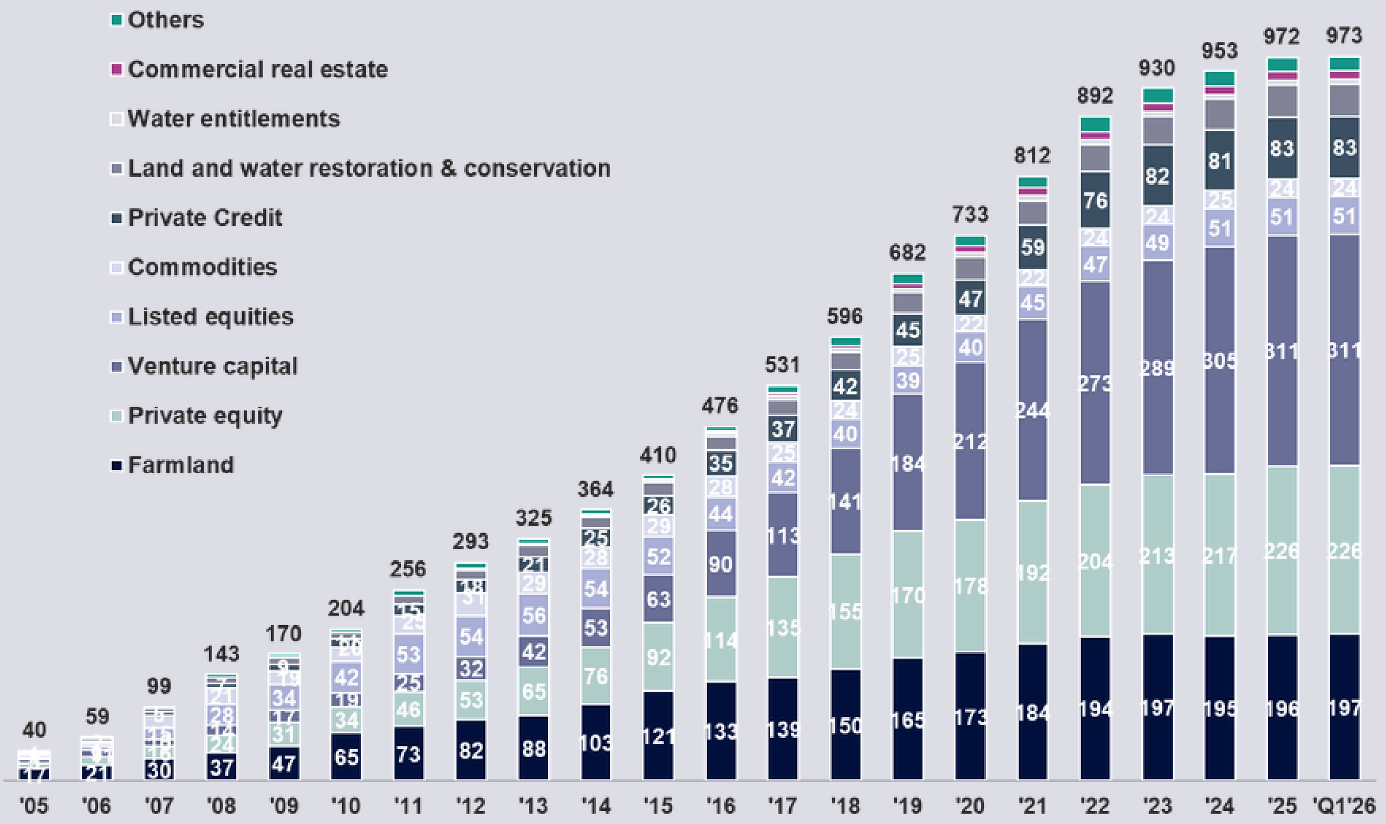
~$2 trillion — The size of annual global agricultural trade.

Source: FAO, Valoral Advisors analysis.

From Emerging to Mainstream

Over the past two decades, food and agriculture investment has grown significantly, moving from a niche segment to a more established part of the global investment landscape.

Number of investment funds specialised in food and agriculture by asset strategy



Source: Valoral Advisors' proprietary investment fund database.

Investment Allocations Continue to Diversify Across Strategies and Regions

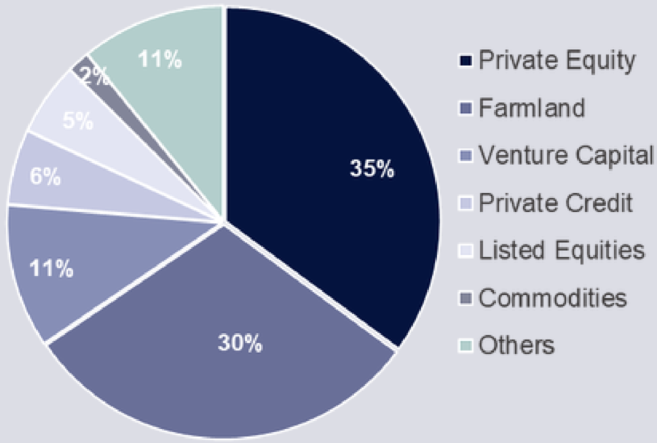
Private equity has become the largest recipient of capital over time, reflecting the breadth of investment opportunities across the food and agriculture value chain.

Farmland allocations have also remained significant, particularly in the United States, with a gradual shift from row crops towards permanent crops.

AgriFoodTech venture capital ranks third by assets under management (AuM). Other strategies remain smaller, but continue to gain traction.

Looking ahead, land and water restoration, conservation, and carbon-related strategies may capture a growing share of allocations as investors expand their exposure to nature-based solutions.

Distribution of AuM of investment funds specialised in the food and agriculture by asset strategy (% of total AuM)



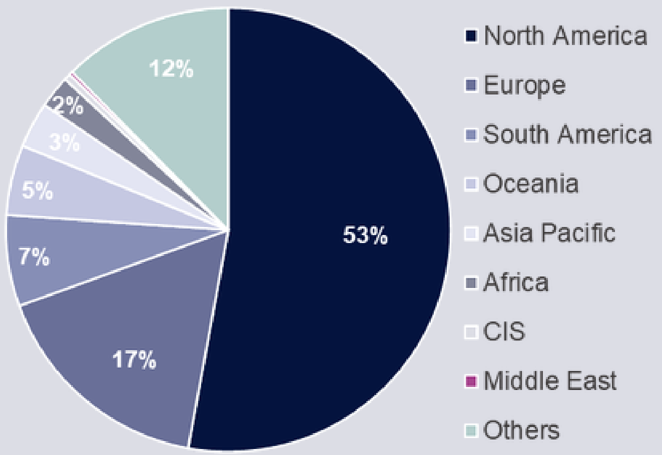
The United States has consistently accounted for close to 50% of total AuM, with Europe firmly established as the second-largest market.

South America remains a distant third, but the outlook is promising, as the region may benefit from rising geopolitical tensions and a renewed global focus on food security.

Oceania, led by Australia and New Zealand, also remains an established destination for capital.

Other regions still account for a relatively small share of allocations, but may see meaningful growth over the coming decade.

Distribution of AuM of investment funds specialised in the food and agriculture by main region (% of total AuM)



Source: Valoral Advisors' proprietary investment fund database.

Mapping the Global Investor Landscape in Food and Agriculture

The food and agriculture investment ecosystem is uniquely diverse, combining financial, sovereign, development, corporate, and farmer capital across multiple decision layers.

		Private Capital	Public & Quasi-Public Capital
Capital Owners	Private investors	• Angel investors • HNWIs • SFOs • MFOs • Private inv. offices	
	Institutional investors	• Pension funds • Insurance companies • Endowments & foundations	• Public pension reserve funds • Development finance institutions • Investment promotion agencies • Multilateral development institutions • SWFs
	Impact & mission-driven investors	• Impact firms • Church endowments • Non-profit entities	• Climate & biodiversity funds • Blended finance platforms • Philanthropic public partnerships
Capital Intermediaries & Allocators	Private banks & Wealth managers	• Private banks • Wealth managers	• State investment agencies
	Banks & other financial institutions	• Commercial & investment banking • Merchant banks	• Public development banks • Export-import banks • Agricultural development banks
	Institutional advisors	• Institutional advisors	
Asset Managers	Generalist	• Natural capital managers • Infrastructure managers • PE/VC managers	• Public asset management companies • State-backed investment platforms
	Specialist	• Farmland managers • Forestry managers • PE managers • Debt managers • VC managers • Corporate VCs	• Public infrastructure funds • State-backed funds: ∘ Agriculture ∘ Natural capital ∘ Venture capital
Operating Investors (Farmers & Corporates)	Individuals	• Farmers • Ag & food business owners	
	Corporates	• Private cooperatives • Ag companies • Trading companies • Food companies • Retail companies	• Public cooperatives • State-owned agricultural enterprises • State-owned commodity trading cos. • State-owned food security cos.

Allocations to Food & Agriculture Investment Funds Show Structural Growth and Cyclicality

After a historic run, the food and agriculture asset management industry is entering a period of lower inflows, albeit within a positive long-term trend.

Average annual capital deployed by food and agriculture investment funds*

$ Billion per year

The chart shows estimated annual capital deployed by food and agriculture investment funds globally, across all strategies, based on raised capital and closing dates. It draws on Valoral Advisors' proprietary database, which tracks fundraising activity since 2005.

Capital commitments peaked between 2019 and 2022. From 2023 to 2025, fundraising has been lower, although still above historical averages.

As those 2019–2022 vintages continue to deploy, and newer vintages are raised with less aggregate capital, available dry powder is likely to continue declining into 2026.

This is particularly visible in AgriFoodTech venture capital, but it can also be seen across other strategies, including farmland and private equity.

This remains only a partial proxy for investment flows, as a large share of capital still moves through direct investments. Even so, the broader direction is clear.

This marks the first meaningful turn in the dry-powder cycle for the asset class in some time. At the same time, the softer fundraising environment may begin to create more attractive entry conditions, as discussed in the next section.

Source: Valoral Advisors' proprietary investment fund database.

*The annual deployment assumes average investment periods of 4 and 5 years for all the funds (to smooth the curve). Forestry funds are excluded (they continue to attract sizeable allocations driven by natural capital mandates). The fund universe only includes specialised funds (generalist VC & PE funds are increasingly including the food & ag industry in their investment scope).

Key Drivers of Performance Across Food and Agriculture Investment Strategies

Performance has varied across asset strategies, driven by a range of structural, cyclical, and market-specific factors.

	Factors Contributing Positively	**Factors Contributing Negatively**
Listed Equities	• Long-term trends in food and agriculture listed equities have delivered solid annualised returns (c. 8–10%), supported by structural growth.	• Equity prices tend to be volatile and cyclical, which can make active management more effective than a long-term buy-and-hold approach.
Ag Commodities	• Agricultural commodity derivatives provide valuable hedging tools for a wide range of market participants. • Commodity hedge strategies have also offered an attractive source of absolute returns.	• Long-term exposure to agricultural commodities has historically been shaped by cyclical price movements. • Periods of sharp volatility have at times affected investors holding poorly structured hedges.
Farmland	• Farmland has generally proved to be a stable, cash-generating, and low-correlated real asset. • Farmland appreciation has been solid across regions and crop types for much of the past two decades. • Permanent crops have gained share in investor portfolios relative to row crops.	• In some emerging markets, returns have been less attractive, partly reflecting political risk and FX volatility. • Excess leverage in farmland has, in some cases, been a major source of financial distress.
Private Equity	• Private equity has been one of the fastest-growing strategies in food and agriculture, particularly in the United States and Europe. • Supported by favourable tailwinds across several subsectors, private equity has delivered relatively strong performance, aided until recently by leverage and expanding valuation multiples.	• Competition for deals, from both corporates and increasingly from generalist private equity funds, has pushed valuations higher and put pressure on deal economics. • In emerging markets, private equity has tended to be more volatile, with greater FX and leverage challenges and lower market liquidity.
Venture Capital	• The large wave of capital into AgriFoodTech since the early 2010s has helped build a meaningful base of knowledge and innovation that is gradually gaining adoption and moving towards scale. • The entry of corporate venture capital has also helped shape the sector by strengthening startup-corporate interaction, alongside the capital provided.	• Expectations that AgriFoodTech could replicate the success of Silicon Valley led to strong investment inflows, elevated valuations, and high cash burn, which in many cases did not translate into companies with sufficient traction or monetisation. • The market is now going through a necessary rationalisation, from which only a smaller group of companies is likely to emerge stronger.
Private Credit	• Private credit has helped fill an important financing gap, particularly in emerging markets. • Blended finance has also been an important catalyst for scaling impact across the sector.	• These strategies have at times been affected by the volatility of the agriculture sector, including periodic episodes of financial distress that have weighed on returns.

An Investor's Guide for Successful Investing in Food and Agriculture

Over 20 years of experience investing and advising in the food and agriculture industry has taught us the following 20 lessons.

1. Understand Agricultural Cycles
Agriculture operates through long biological, market and investment cycles. Be patient. Returns often come from entering at the bottom of cycles and exiting near the top.

2. Do Not Chase Commodity Price Bubbles
Commodity markets are cyclical. Avoid investing when commodity prices go parabolic.

3. Prioritise assets with the Lowest Marginal Cost of Production
In farming and commodity-linked businesses, the lowest marginal cost producer survives the cycle. Invest where structural advantages create durable cost leadership.

4. Prefer Proven Production Systems
Agriculture already faces significant climate, biological, and market risks. Innovation is valuable, but avoid adding unnecessary technological risk whenever possible.

5. Water Can Matter More Than Land
In many regions, access to water will increasingly determine long-term viability more than soil quality and land ownership.

6. Conduct Extensive Field-Level Due Diligence
No amount of desk analysis replaces real-world insight. Spend the time required to understand the operation, the people, and the local realities before committing capital.

7. Be Careful with Political Risk
High political risk rarely adequately compensates investors. Only accept political risk if the structural advantages are overwhelming.

8. Trade & Regulatory Policy Shapes Agricultural Markets
Trade, regulatory and tax policies usually have an outsized impact on food and ag businesses.

9. Management Quality is Critical
In agriculture, operator skill often matters more than the asset itself.

10. Plan for Volatility - Not Averages
Linear projections in spreadsheets often fail in agriculture. Model ranges and stress scenarios, not averages. Design businesses that remain resilient across cycles.

An Investor's Guide for Successful Investing in Food and Agriculture

11. Market Access and Logistics Matter
Consumers' preferences determine demand, demand determines price. Build the economics and assess the viability backwards. Distance to markets, ports, and processing facilities also significantly affect margins.

12. Labour Availability is Becoming a Structural Constraint
Evaluate labour availability, labour costs, and the potential for mechanisation and automation.

13. Vertical Integration Creates Optionality
Integrating vertically, including upstream or downstream paths, usually allows investors to capture value and manage price volatility.

14. Infrastructure Drives Competitiveness
In addition to other relevant factors already mentioned, local infrastructure (including roads, railways, ports, irrigation systems, and energy supply) affects production costs and market access. Agricultural regions with strong infrastructure have structural advantages.

15. Technology Should Improve Farm Economics
AgriFoodTech adoption should be driven by measurable improvements in productivity, cost efficiency, or risk reduction. Many technologies fail because they add cost and complexity without improving profitability.

16. Capital Discipline is Essential
Agricultural investment cycles often encourage over-expansion during periods of high prices. This leads to excess capacity and weak returns. Maintain capital discipline and avoid expansion driven solely by favourable short-term conditions.

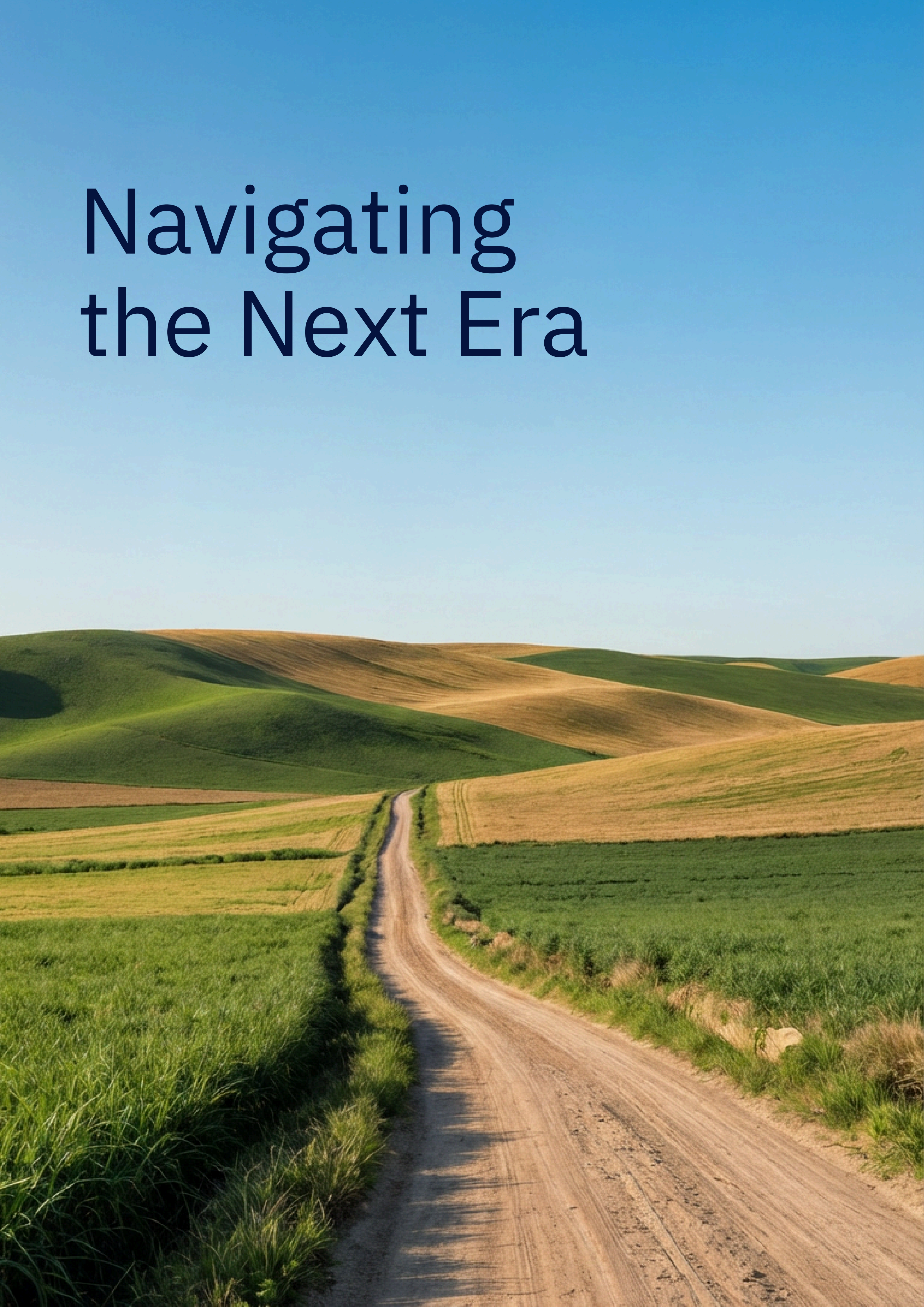
17. Currency Risk Can Dominate Returns
Understand the relationship between commodity prices, local costs, and currency movements. Carefully assess the implications of any debt taken.

18. Avoid Excessive Leverage
Over-leverage is one of the main drivers of failure in farmland and agricultural private equity.

19. Liquidity is Limited in our Industry
Farmland and agricultural assets are especially illiquid and slow-moving. Consider this when assessing valuations and exit paths.

20. Impact Requires Economic Sustainability
There is no lasting environmental or social impact without economic viability. Food companies and consumers rarely pay a sustainability premium; they often expect someone else to bear the associated cost.

Navigating the Next Era



3 | Navigating the Next Era

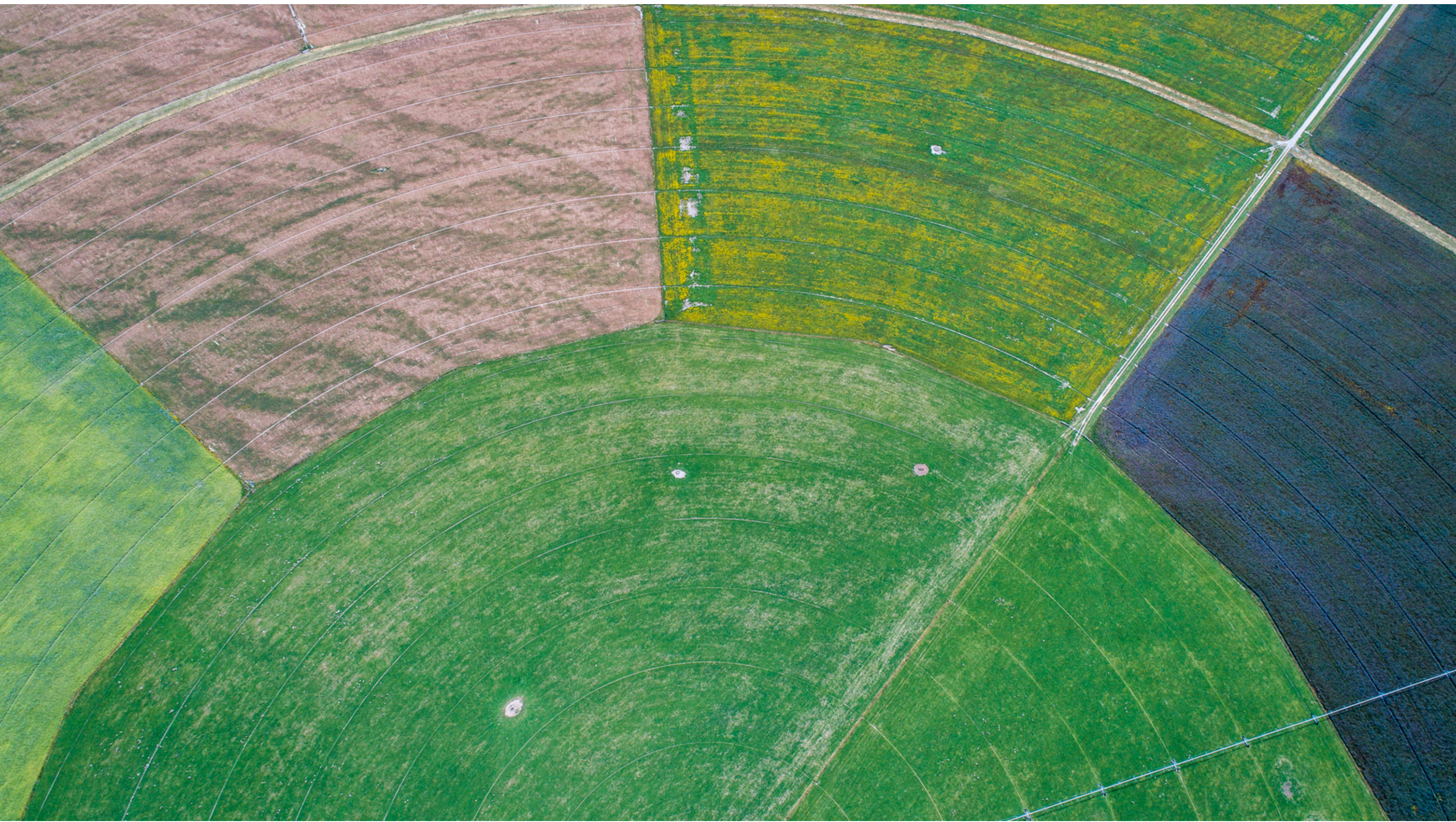
The coming years could prove to be a defining period for the food and agriculture industry.

Investors are likely to need a different roadmap and playbook to navigate the structural shifts and uncertainties shaping the global investment landscape - and to deploy capital effectively.

In this section, we first explore the broader concept of the "Fourth Turning" as a scenario framework to interpret converging macroeconomic, geopolitical, and social disruptions, and we consider its possible implications for food and agriculture investing.

We then examine the industry's own Fourth Turning, with a particular focus on the cycles that have emerged over this century.

Finally, we outline a set of high-conviction investment themes and highlight tactical opportunities across asset classes for both investors and those seeking to raise capital.



Navigating the Fourth Turning: A New Framework for Food and Agriculture Investments

Understanding today's systemic shifts is essential to navigating risk and capturing opportunity in food and agriculture investing.

History does not repeat itself, but it often rhymes. For long-term investors, understanding where we stand within broader historical cycles can offer a useful edge.

The concept of the Fourth Turning, popularised by William Strauss and Neil Howe, describes recurring generational cycles in which periods of stability and growth are followed by phases of institutional stress, societal disruption, and eventual reset.

These periods are often marked by heightened volatility, declining trust in institutions, geopolitical fragmentation, and a reordering of economic priorities.

Many of today's global dynamics - including rising geopolitical tensions, shifting trade architectures, inflationary pressures, institutional mistrust, and the renewed focus on national security and resilience - bear some resemblance to past Fourth Turning periods.

History never unfolds in exactly the same way, but the parallels may still offer a useful framework for interpreting the present. These periods are uncomfortable and uncertain, but they can also create attractive moments for long-term capital.

For food and agriculture, this framework may be particularly relevant. The sector sits at the intersection of economics, geopolitics, society, technology, and the environment. When these forces realign simultaneously, capital allocation decisions become both more complex and more consequential.

And the food and agriculture sector has rarely been passive during such periods. Food security, land access, input availability, and trade flows can shift from being mainly economic variables to matters of strategic concern. Governments tend to intervene more actively, markets often become less efficient but more directional, and traditional assumptions can begin to break down.

The global food and agriculture investment landscape has expanded significantly since the early 2000s, creating a broader set of opportunities across strategies, sectors, and geographies. Yet the nature of those opportunities may now be evolving.

Investors who bring together macro awareness, geopolitical realism, technological pragmatism, and environmental constraints may be better positioned not only to protect capital but also to capture the opportunities that emerge on the other side of the cycle.

What a Fourth Turning Could Mean for Global Food & Agriculture Systems

We consider how macroeconomic, geopolitical, societal, technological, and environmental shifts could reshape risks and opportunities across food and agriculture.

Macro Environment

- Rising sovereign debt burdens, limiting fiscal flexibility.
- Currency instability, particularly across emerging markets.
- Persistent inflation and input-cost volatility.
- Renewed interest in commodities and real assets as inflation hedges.
- A higher cost of capital reshaping underwriting and leverage strategies.
- Greater divergence across regions, creating both dislocations and arbitrage opportunities.

Geopolitical Realignment

- More export restrictions and import-substitution policies.
- Re-shoring and “friend-shoring” of supply chains.
- Greater scrutiny of foreign ownership of land and strategic food assets.
- The weaponisation of food, fertilisers, and energy trade.
- Regionalisation of trade blocs, reducing global market efficiency.
- More active government intervention in pricing, subsidies, and strategic reserves.

Societal Shifts

- Labour availability and labour costs becoming more structural constraints.
- Changing dietary patterns shaped by health, income pressure, and demographics.
- Demand shifting towards affordability, nutrition, and resilience.
- Potential erosion of consumer trust in institutions, brands, and food systems.
- A growing focus on food security and national self-sufficiency.

Technological Transition

- Consolidation of agtech platforms and more disciplined capital deployment.
- Greater adoption of precision agriculture to improve input and yield efficiency.
- Faster deployment of automation and robotics in response to labour shortages.
- Continued expansion of biologicals and alternative inputs relative to traditional chemicals.
- More data-driven decision-making and risk management across the value chain.

Environmental Constraints

- Greater volatility in yields and production patterns.
- Rising importance of resilience, adaptation, and resource efficiency.
- More policy intervention in response to climate variability and extreme weather.
- Growing constraints around water availability and access.
- Expansion of regulation around land use, emissions, and inputs.
- Increasing monetisation of sustainability, incl. carbon and ecosystem services, albeit unevenly.

Investment Principles for the Period Ahead

The macroeconomic, geopolitical, societal, technological, and environmental forces shaping food and agriculture do not operate independently. They reinforce one another, creating an environment that is likely to be more volatile, but also more opportunity-rich. Navigating this context may require revisiting traditional investment principles.

Resilience over Efficiency

- **Design for stress, not peak efficiency.** Prioritise systems that can maintain output under adverse conditions, rather than those optimised for ideal ones.
- In primary production, favour agronomic robustness, climate adaptability, and cost position over yield maximisation alone.
- Across the value chain, prefer regional and redundant supply structures over globally optimised but fragile networks.

Control over Exposure

- **Position where control creates pricing power.** Prioritise ownership or influence over critical inputs, infrastructure, and routes to market.
- Assets at key bottlenecks - including logistics, storage, inputs, and processing - may gain both strategic and economic leverage.
- Food and agriculture assets may increasingly behave more like strategic infrastructure than pure commodities.

Local Knowledge over Global Narratives

- **There is no single global playbook.** Macro trends may be global, but execution remains market-specific.
- Favour operators and platforms with deep regional expertise, networks, and operating presence.
- Avoid applying broad global theses without local validation, as execution risk is likely to rise.

Capital Discipline over Growth Narratives

- **In a higher cost-of-capital environment, discipline and returns are likely to converge.**
- Prioritise cash-flow visibility, capital efficiency, and balance-sheet resilience.
- Avoid models dependent on continuous external funding or long-dated, uncertain payoffs. Valuation, leverage, and risk tolerance may all need to adjust to structurally tighter capital conditions.

Time Horizon over Timing

- **Time becomes an asset when aligned with structural change.**
- Volatility may create entry points, but outcomes are more likely to depend on underwriting long-term system shifts than on reading short-term signals.
- Align capital deployment with multi-year transitions rather than cyclical noise.
- Prioritise assets where time works in your favour, including biological cycles, infrastructure, and resource scarcity.

Selectivity over Dispersion

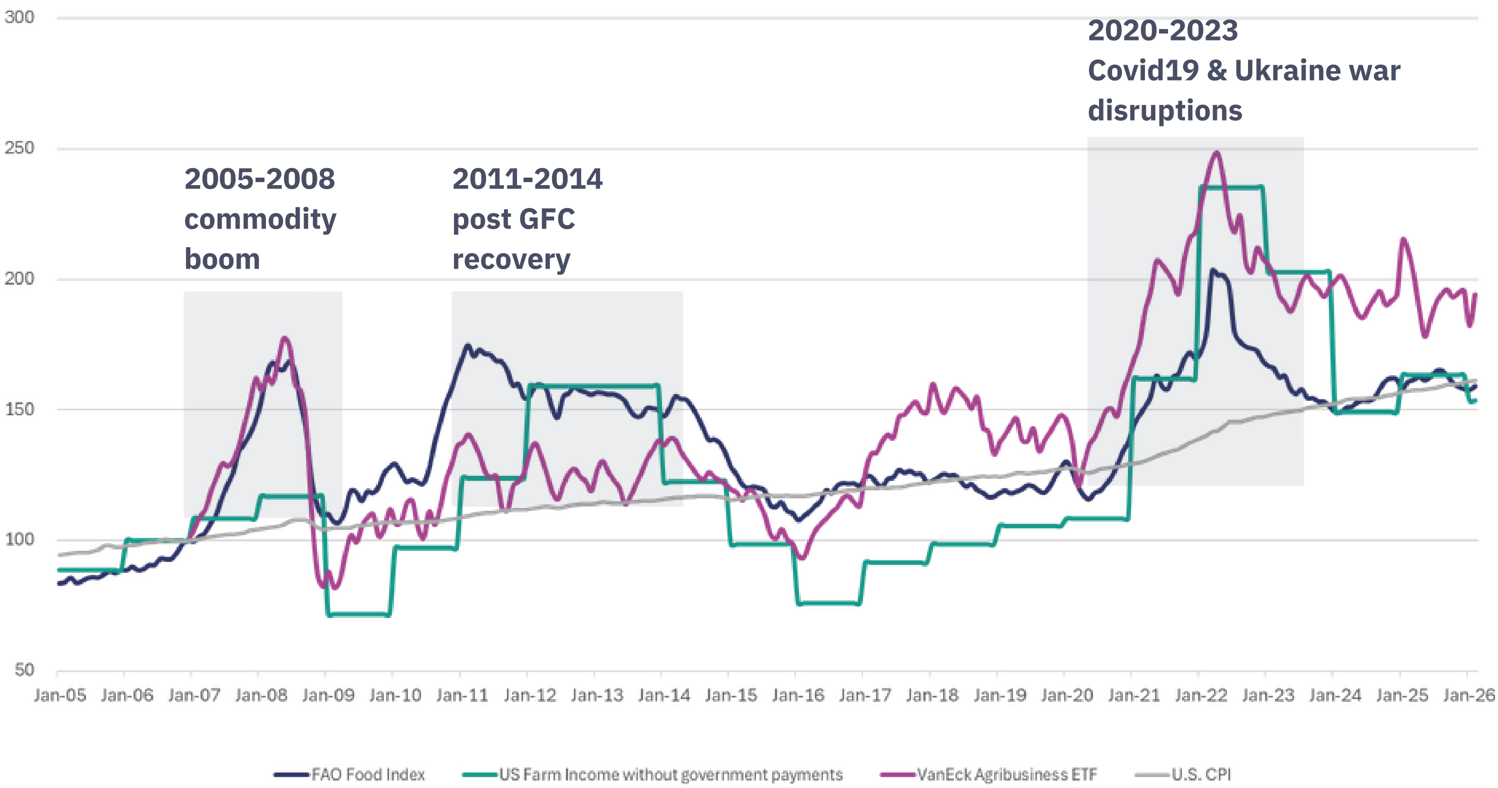
- **Asset selection is likely to matter more than broad exposure.**
- Dispersion across assets, regions, and business models is likely to increase materially.
- Avoid passive or undifferentiated strategies. Returns are more likely to be driven by selection and positioning than by broad sector exposure.

Zooming in, the food and agriculture industry has its own market cycles

Understanding the nature and dynamics of the market cycles in the industry is critical for deploying capital successfully.

Evolution of key food and ag economic and market indicators

Nominal values, indexed Dec-2006 = 100



Agricultural markets tend to move in recurring multi-year cycles, in which sharp upswings are often followed by longer periods of normalisation or decline.

While supply shocks are often the main trigger, these cycles can also be shaped by demand. In many cases, boom periods coincide with broader global disruptions, including geopolitical events, macroeconomic shocks, or structural shifts in consumption.

These cycles often show a high degree of synchronisation across commodity prices, farm profitability, and listed agri-food equities during expansion phases.

In general, farm income tends to track commodity price movements closely, while agricultural equities often amplify these cycles by reflecting forward-looking expectations around sector profitability.

By contrast, inflation tends to rise more steadily and gradually. While agricultural markets remain structurally more volatile, they show a clear long-term upward trend. This is especially important given the inflation outlook ahead.

Framing Alternative Scenarios to 2030

Combining broader Fourth Turning dynamics with food and agriculture market cycles, we outline two high-level scenarios to 2030 to help frame investment decisions.

	Muddle Through (2026 - 2030) 75%	**Fourth Turning in Motion** (towards 2030) 25%
Macro Environment	• Major economies continue to extend fiscal imbalances while refinancing debt without sharp rate increases or explicit yield-curve control. • Growth stays below potential, with persistent inflation and labour-market weakness.	• Amid fast-growing fiscal imbalances, major economies are forced to undertake large monetary expansion, contributing to significant currency debasement and increased inflationary pressure. • Global growth takes a hit.
Geopolitical Realignment	• Geopolitical tensions remain elevated. • Global flows of agricultural inputs and food products remain broadly intact, despite recurring disruptions. • Food security rises on the political agenda.	• Polarisation intensifies, increasingly restricting market access for strategic rivals. • Supply chains undergo more significant reconfiguration, reshaping global trade flows.
Societal Shifts	• Affordability pressures persist, alongside continued political polarisation.	• Social unrest intensifies amid fiscal reform, labour tensions, and affordability pressures. • Populist and more extreme political movements gain further influence.
Technological Transition	• AI-driven disruption continues across sectors. • Adoption of AI and robotics in agriculture progresses gradually, complementing rather than fully replacing labour.	• AI and robotics accelerate more rapidly across the food and agriculture value chain, widening efficiency gaps and displacing parts of the traditional labour base.
Environmental Constraints	• Governments and the private sector continue to advance sustainability and emissions-reduction efforts. • Carbon markets continue to develop and mature, albeit unevenly.	• Rising socio-economic pressures lead to a partial rollback of climate commitments and weaker support for sustainability initiatives.

How Can Investors Position for the Next 12–18 Months?

Current market dynamics may create attractive opportunities for investors to build or expand exposure across global food and agriculture.

	Opportunities	Preferred Investment Approach
Farmland	• Row crop farmland remains a relatively lower-risk strategy, offering solid exposure to ag real assets. • Permanent crops, including speciality crops, are also likely to continue attracting institutional capital, creating room for private investors and operators to position early.	• We see scope for a recovery in agricultural crop prices over the next 12–18 months. Argentina offers particular upside. In permanent crops, we see attractive opportunities in Chile, Peru, and Brazil in South America, and in Spain and Portugal in Europe. • Strong local operators will remain critical.
Private Equity	• The food and agriculture value chain continues to offer attractive opportunities for private equity across both developed and emerging markets. • The strongest opportunities appear to be with more specialised managers, both by geography and by subsector.	• In the current environment, we favour growth equity strategies focused on less crowded lower-middle-market segments. We see opportunities in Western and Eastern Europe and South America. • Large asset managers remain relatively underexposed to the sector, which could help support further capital inflows over time.
Venture Capital	• In hindsight, early AgriFoodTech investors absorbed much of the cost of building businesses from scratch and moving through the initial learning curve. • Looking ahead to 2030, the food and agriculture industry may be better positioned to adopt new technologies at scale. Investors today may be in a stronger position to identify likely winners and support consolidation and scaled growth.	• We see better opportunities ahead, particularly through a growth equity lens and in strategies focused on consolidation. • Selectivity is likely to matter more than ever.
Private Credit	• Emerging markets across Latin America, Africa, and Asia continue to offer private credit opportunities for investors with access to high-quality deal flow and strong underwriting capabilities.	• We see attractive work being done by specialist asset managers in this space, as well as by DFIs. • Beyond traditional agricultural supply-chain financing, including mainstream and specialty crops and the bioeconomy, we also see growing opportunities in climate finance.
Climate & Nature	• Restoration and conservation strategies continue to gain traction globally, supported by investors' interest in soil, water, and biodiversity, alongside carbon-sequestration potential. • Attractive opportunities are also emerging around the transition towards regenerative agriculture and livestock systems. • Carbon monetisation remains uncertain given ongoing regulatory and market volatility, but the underlying real-asset opportunity remains compelling.	• Today, a growing number of operators globally already have the capability to manage these types of investments. • We favour strategies built around ownership of the underlying natural capital, supported by complementary revenue streams rather than relying primarily on carbon credits. • South America stands out given its scale, impact potential, market access, and growing investment infrastructure.

Where Can Asset Managers Raise Capital Over the Next 12–18 Months?

Understanding who is allocating capital - and what is driving that interest - will be increasingly important for successful fundraising.

	Key Challenges	Fundraising Opportunity	Priority Investor Targets
Farmland	• Farmland fund returns have often fallen short of investor expectations. • High land prices and weaker commodity prices are making investors more cautious.	• Many investors still have limited exposure to farmland. • Under the scenarios outlined, farmland may serve as an increasingly important long-term portfolio hedge.	• Institutional investors seeking to increase real-asset exposure. • Family offices looking for more direct real-asset exposure.
Private Equity	• Private equity has faced a more challenging period, marked by slower fundraising, higher interest rates, greater competition, and delayed exits.	• There remains meaningful white space for agrifood private equity strategies. • The coming years may favour active managers, particularly under the scenarios considered. • Growth equity appears especially well positioned.	• DFIs, particularly in emerging markets. • Institutional asset managers and asset owners seeking exposure they currently lack. • Thematic investors focused on food, agriculture, and sustainability.
Venture Capital	• The sector has been broadly affected, and many investors have pulled back. • It may take time for the market to reset and for portfolios to demonstrate clearer progress and successful exits.	• With valuations lower and greater clarity emerging around technology risk, product-market fit, and monetisation, this may be an attractive moment to back category leaders. • The current environment may also create opportunities to consolidate positions and capture the next phase of growth.	• Impact investors. • Family offices with a strong understanding of the sector. • Select corporates investing with clear strategic intent.
Private Credit	• Risk management, particularly around credit and FX exposure, has not always been strong enough to protect portfolios during periods of volatility and disruption.	• The financing gap across global food and agriculture, particularly in emerging markets, remains attractive for private credit strategies. • FinTech-enabled origination and distribution models are also emerging as relevant channels for private credit.	• Impact investors. • Institutional investors.
Climate & Nature	• Climate finance, particularly around carbon credits linked to REDD+, ARR, and IMF projects, has faced a backlash in recent years due to credibility concerns and shifting expectations. • Regulatory uncertainty and unclear long-term corporate commitments continue to weigh on the market.	• There is an opportunity to develop projects with revenue streams that extend beyond carbon credits alone. • Managers should also position these opportunities as real-asset strategies with meaningful capital appreciation potential under the scenarios considered.	• DFIs. • Family offices. • Impact investors. • Technology companies.

Strategic Investment Themes Across the Food & Agriculture Value Chain

Based on our thematic assessment spanning 360 sub-sectors across the food and agriculture value chain, we highlight 20 investment opportunities that we believe are especially attractive today.

Upstream
Midstream
Downstream

Institutional farmland investment management	Water infrastructure & irrigation technologies	Plant breeding & propagation for high value crops	Biological solutions for crop nutrition and protection
Precision agriculture platforms	Fruit & vegetables production, marketing & distribution	Ag origination & aggregation infrastructure in emerging markets	Value-added processing in origin for export markets
Consolidation of the private label manufacturing contract space	Automation and efficiency gains in ag and food processing	Healthy and functional food & beverages	Healthy snacking
Frozen ready-to-eat food with healthy positioning	Ethnic food (trading, manufacturing, distribution)	Specialty food categories incl. PDO certified food	Sports and active lifestyle nutrition
Nutraceuticals & dietary supplements	Novel ingredients ready for the mainstream market	Specialty food & healthy food retailers & convenience stores	Waste to feed, waste to energy & other upcycling solutions

Additional Sectors to Monitor

Several other segments of the global food and agriculture investment landscape were not covered in detail in this report, but remain important to monitor given their strategic relevance and growth potential.

Grasslands and Livestock Farming

- Grasslands are a critical ecosystem that can support sustainable livestock production systems.
- Investment opportunities in pastureland and livestock production, including beef and dairy, may be attractive given years of underinvestment and rising demand, especially in emerging markets.

Protected Agriculture

- Protected agriculture, ranging from plastic-covered systems to high-tech greenhouses, continues to expand globally, led by China, Europe, and North America, with other markets, such as Morocco, also gaining relevance.
- Productivity gains and logistics efficiencies continue to support this trend, particularly in crops such as tomatoes, peppers, leafy greens, and strawberries.
- At the same time, vertical farming continues to face challenges, with no clear signs of a near-term turnaround.

Fisheries & Aquaculture

- Fish remains a key source of protein globally, especially in Asia.
- With more than half of global fish production already coming from aquaculture, the sector continues to offer opportunities across major species such as salmon, shrimp, and tilapia, as well as niche categories.
- The sector may also benefit from innovation in genetics, feed, animal health, and other blue biotech solutions.

Biofuels & Bioenergy

- Biofuels, led by bioethanol and biodiesel, already represent a significant global energy segment, with sustainable aviation fuel adding to the sector's growth potential.
- Rising power demand, including from AI-related infrastructure, and ongoing geopolitical tensions continue to put pressure on energy systems, reinforcing the case for biofuels.
- For investors, the main complexity is that biofuels remain highly dependent on public policy, while economics can be volatile due to exposure to crop and energy prices, and the sector typically requires high capex.
- Beyond biofuels, biogas, and other biomass-derived products also offer an attractive outlook as demand for decarbonization solutions grows.

About Valoral Advisors

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Valoral Advisors is an internationally recognised advisory firm specialising in the global food and agriculture investment space.

We work with fund managers, private and institutional investors, and business owners to help them invest profitably while fostering a better agriculture - more productive, efficient, and sustainable.

Since 2010, we have supported clients in a wide range of food and agriculture investment opportunities in over 40 countries.

Founded in Luxembourg in 2010

80+ clients from 25 countries

Network of 20,000+ professionals in the food & ag sector

Leading source for food & agriculture investment intelligence

Solid governance capabilities to support investment committees and BoD

Support in food & ag VC & PE transactions

Tracking of 1,000+ food and agriculture funds with $160b+ AuM

Mapping of 20,000+ AgriFoodTech startups worldwide

1.0+ Million hectares of farmland and forestry assets assessed worldwide

Our Services

Valoral Advisors works with clients throughout their investment journey, providing services tailored to their needs at each stage of the investment lifetime.

Explore proactively by learning and understanding the sectors and markets and by exploring and discovering opportunities.

Invest confidently by scouting and identifying opportunities, analysing and closing deals and also by raising capital and obtaining funding.

Manage responsibly by building and growing investments, managing and protecting the assets, and harvesting and delivering returns.

Communicate effectively by listening to the market and the stakeholders, and by communicating in a timely and proper manner.

Our Services

We offer a comprehensive suite of services and products to support our clients in each stage of their investment journey.

Areas of Work	Goals	Services	Products
Explore Proactively	Learn & Understand	• Induction workshops	• F&A investment induction
	Explore & Discover	• Strategic market research • Design of investment strategies • Network discovery • Organisation of field trips	• Value chain map • F&A thematic assessment • Expert calls
Invest Confidently	Scout & Identify	• Origination of investment opportunities • Mapping & selection of local partners	• Market intelligence reports • Investment radar • Investment fund mapping • M&A databases
	Analyse & Decide	• Strategic, commercial and technical DD • Asset valuation • Risk assessment	• Competitive landscape map • Gate to global network
	Raise & Finance	• Fund strategy design • Investor introduction • Fundraising support	• Fundraising radar
Manage Responsibly	Manage & Protect	• Development of portfolio strategy • Asset & contract monitoring • Advice to boards and C-suites • Governance support	• Market dashboards • Risk radar
	Build & Grow	• Development of growth strategies • Support in climate & nature markets	• Investment radar • Innovation radar
	Harvest & Deliver	• Support in exit planning & execution	• Exit map
Communicate Effectively	Listen & Communicate	• Stakeholder engagement • Investor relations strategy • Support with investment reporting • Preparation of communication content • Support ecosystem build & partnerships	• News radar • Investment newsletters

Our Sustainability Toolkit

Valoral Advisors is committed to advancing the sustainable development of the food and agriculture sector, guided by the principles of the triple bottom line: social responsibility, environmental stewardship, and economic viability.

We believe that aligning financial returns with positive impact may represent one of the most attractive investment opportunities of our time. By recognising the close relationship between natural, social, and financial capital, we help clients create enduring value through integrated and forward-looking strategies.

Sustainability is embedded across our advisory services - from evaluating new investment opportunities and improving ongoing operations to supporting clients with robust sustainability reporting.

To do this, we draw on a multidisciplinary network of experts, including agronomists, biologists, and specialists in carbon and water, bringing depth, rigour, and practical insight to every engagement.

Our Technological Toolkit

We bring deep expertise in AgriFoodTech investing and advisory, spanning a broad range of technologies and solutions across the food and agriculture value chain.

Our capabilities are supported by a multi-layered set of resources:

- **AgriFoodTech investment universe:** a proprietary mapping of more than 20,000 startups, providing granular insight across 100+ categories within the sector.
- **Technology-enabled advisory:** we use leading AgTech solutions to strengthen our advisory work, particularly in the evaluation and management of farmland and forestry investments.
- **Investment intelligence:** we are developing our own investment intelligence platform, built on years of curated data and enhanced by AI tools to generate actionable insights for clients.
- **Technology assessment:** our work is supported by a global network of domain experts, including specialists across key areas of AgriFoodTech, enabling rigorous and context-specific evaluation of emerging technologies.

We invite you to get in touch to explore investment opportunities in the sector in greater detail.

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Disclaimer

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