



CROWN | AGRINET

Gestión profesional de tierras inmobiliarias y administración
de operaciones agropecuarias productivas en Uruguay

WHY INVESTING IN AGRIBUSINESS?

- Agriculture as an investment asset class will, in the short term, rise to 5% of institutional investors' portfolios.
- Productive lands are a limited resource, they have a constant appreciation and have become one of the most valuable fixed assets paying dividends.
- Agriculture is a business based on the essential land asset which, at the same time, produces constant income. This duality contributes to a non-volatile asset of low risk for the investment and an annual net return.
- World demand for food will continue growing.
- Demand for food is driven by the change of dietary habits and the increase of the use of grains as biofuels.
- The more successful a population becomes, the more meat it consumes.
- Prices and demand for food continue increasing in spite of the global crisis.
- It is expected that prices of agricultural products will continue increasing, and therefore, the value of the land will also increase.

PROFESSIONAL **MANAGEMENT**

Crown Agrinet's offer is based on products and services under an integrated management platform, characterized by:

FACILITATING ACCESS

to investors from the sector or outside it. Developing financial tools for clients who know little about farmland, but who are aware of the good return on investment of the sector.

REDUCING RISK

in the investment through a mechanism of localization pool and production types, insurance policies, pricing and fiscal advice customized for investors.

PROVIDING ACCESS TO INFORMATION

offering a transparent access, on the web, to the investment's development.

PRODUCTS AND SERVICES

- Agricultural, stockbreeding and/or agriculture and stockbreeding standard investment product.
- Customized projects:
 - Real Estate
 - Strategic advice
 - Productive management
 - Own services centre
- Management of knowledge and social, environmental and economic impact.
- Commercialization

RETURN ON INVESTMENT SCENE

CONSIDERING THE PURCHASE OF THE LAND ASSET

TYPE OF LAND USE	PROFITABILITY AS % OF THE LAND PRICE
Agriculture (soybean)	12%+ Assumption: USD400 of profit per hectare of soybean, USD500 of wheat, in 12 months.
Agriculture (rice)	10%+ Assumption: contract with investor where the owner obtains 30 bags (50 kg) for USD 7.3/hectare, each one on account of land and water use.
Stockbreeding A	7%+ Assumption: per hectare: one animal per year, 140 kg for USD 1.20/kg, profit of USD 120 per animal.
Stockbreeding B	10%+ Assumption: per hectare: one animal per year, 250 kg for USD 1.00/kg, profit of USD 210 per animal.
Afforestation	13%
Stockbreeding B	3%

MODULAR SCENE OF RETURN ON INVESTMENT CONSIDERING PURCHASE

Return on gross income		38%
Return on costs		60%
Return on investment (land)		9%
Return on land cost + investment in plantation		8%

Assumption: This example shows the profitability of an investment in a 100 hectares farmland (247 acres) in Uruguay, with a high agricultural yield index (150), acquired for a price of USD 7,500 per hectare. The model is based on a typical scene of the agrarian sector where two crops are sown in a year, and it is assumed that 85% of the farmland is sown (the yield of the remaining 15% is not calculated; usually, it is used for breeding cattle and this would slightly increase the total profitability of the investment).

RETURN ON INVESTMENT, WHERE A RENT IS PAID FOR LAND USE WITHOUT CONSIDERING THE LAND ASSET AND PRACTISING AGRICULTURE (100%)`

AGRICULTURE

Investor's net income	161
Investment	1.370
Profitability on investment	12

Assumption:

- a) Soybean is sown after a winter crop, therefore, the cost of the annual rent of the farm is divided into 30% for wheat and 70% for soybean.
- b) Direct sowing with no soil movement is performed in every case.
- c) Taxes are estimated at 20% of income.
- d) CONEAT 140 lands are leased and 170 kilos of soybean per hectare per year are paid.
- e) Farmlands at 120 km-distance from freight destination.

RETURN ON INVESTMENT, WHERE A RENT IS PAID FOR LAND USE WITHOUT CONSIDERING THE LAND ASSET AND PRACTISING STOCKBREEDING (100%)

STOCKBREEDING

Investor's net income	74
Investment	688
Profitability on investment	11

Assumption:

- a) CONEAT 100 lands are leased for USD 85 per hectare.
- b) 250 kg calves are bought for USD 2 per kilo, and are sold for USD 1.98 per kilo.
- c) The amount is one steer per hectare.
- d) Winter pasture is supplemented with wet grain sorghum.

RETURN ON INVESTMENT, WHERE A RENT IS PAID FOR LAND USE WITHOUT CONSIDERING THE LAND ASSET AND PRACTISING AGRICULTURE AND STOCKBREEDING (50%–50%)

AGRICULTURE AND STOCKBREEDING

Ingreso neto del inversor	271
Inversión	1096
Rentabilidad sobre la inversión	21

Assumption:

- a) CONEAT 100 lands are leased for USD 85 per hectare.
- b) 250 kg calves are bought for USD 2 per kilo, and are sold for USD 1.98 per kilo.
- c) The amount is one steer per hectare.
- d) Winter pasture is supplemented with wet grain sorghum.

A close-up photograph of a tea plant branch with several green leaves. The leaves are covered in small, clear water droplets, suggesting a misty or rainy environment. The background is a soft, out-of-focus greyish-blue.

info@CrownMG.uy

CROWN AGRINET | GESTIÓN PROFESIONAL DE INVERSIONES EN AGRONEGOCIOS