RESEARCH

# AGRI-AFRICA
# 2018-19

FARMLAND INVESTMENT OPPORTUNITIES IN AFRICA

# A GROWING OPPORTUNITY

## Knight Frank's Head of Rural Research Andrew Shirley looks at the case for investing in African agriculture

I had a farm in Africa. This simple yet evocative sentence opens Out of Africa, the memoir of Karen Blixen (immortalised by Meryl Streep in the film of the same name) that charts her life in Kenya between the two world wars. Blixen's coffee farm in Karen, now an affluent suburb of Nairobi, failed to prosper due to poor planning and basic agronomic mismanagement.

Today, the allure of African agriculture remains strong, attracting private, institutional and sovereign capital from around the world, but the lessons of Out of Africa remain as salient as ever. Expert advice and preparation are key to success for those who want to benefit from the myriad opportunities offered across this vast continent. This report highlights briefly some of those opportunities and illustrates how Knight Frank can help investors to make the most of them.

So why choose African farmland? Demographics are an obvious starting point. The world's population is growing and, by and large, becoming more affluent. By 2050 it is predicted that there will be over two billion more people on the planet than there were in 2015. However, this growth will be far from uniformly spread. The population of Europe, for example, is set to decrease. Africa, by contrast, is forecast to account for over half of the rise with 1.3 billion new mouths to feed over the next 30 or so years.

In addition to this significant rise, a far higher proportion of people will be living in cities and unable to grow their own food. The annual retail value of food and beverages consumed in Sub-Saharan Africa is set to rise to one trillion dollars by 2030, up from around 300 billion in 2010, according to figures from the World Bank. Of that total, well over 50% will be spent in urban areas. In 2010 it was around a third.

Not only are higher-value food stuffs like meat set to see the biggest rise in demand as living standards increase, but consumers are increasingly looking for value-added and branded products across all food categories. As illustrated on page 9, this trend offers opportunities for investors across the entire food chain, not just primary crop or livestock production.

"Sovereign and family office investors are attracted to African agricultural and food chain assets as rising standards of living and population growth are driving a 5%-8% CAGR in domestic demand for food, whereas growth in most of the developed economies is quite flat at 0%-2% CAGR." says Tim Pollock, CEO of agribusiness investment advisor, AgCap.

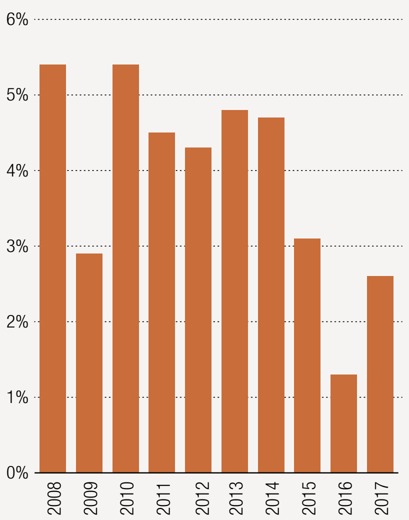
Africa certainly has the resources to deliver the food required to feed its growing population – the continent has more uncultivated land suitable for crop and livestock production than any other region of the world and utilises only 2.5% of its renewable water sources, compared with 5% worldwide – but agricultural productivity has largely been flat-lining and food self-sufficiency has declined with food imports rising. This, despite the Maputo Declaration of 2003 and the Malabo Declaration of 2014 when African nations pledged to commit 10% of national spending to agriculture.

Few countries have come close to achieving this target and a number are increasingly looking at overseas investors to drive the required increase in food production and reduce their reliance on imports. A number, as shown on page 6, offer tax and other incentives to promote inward investment.

Despite accusations of land grabbing from some quarters, Willem Janssen, a Lead Agricultural Economist for the World Bank, says private investment into Africa, if done in conjunction with local farmers, should be encouraged. "The bank in general believes that the private sector is key to overall development. A thriving private sector creates jobs and goods."

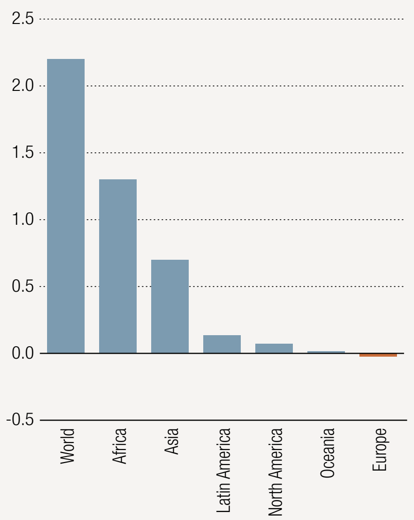
**Harvest time –** Agriculture in Africa is becoming increasingly sophisticated and mechanised

FIGURE 1
**Africa GDP Growth**
Annual % change



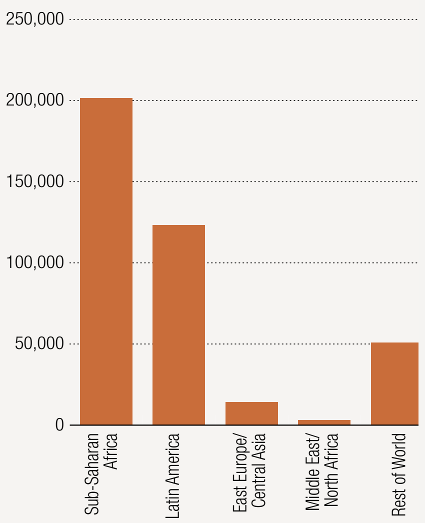

**Source:** World Bank

FIGURE 2
**Population growth by 2050**
(bn)



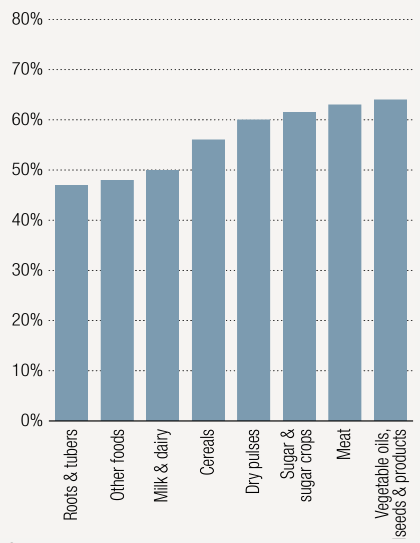

**Source:** UN World Population Prospects

FIGURE 3
**Potential availability of uncultivated land** (1,000ha)




**Source:** World Bank derived from Fischer and Shah

FIGURE 4
**Estimated % change in food demand in Sub-Saharan Africa** 2015 to 2030




**Source:** World Bank derived from Alexandratos and Bruinsma

### Food security

Those investing in African agriculture are motivated by a number of factors. For some, an increase in capital values is seen as the main priority, while others are more focussed on operational returns. A third group is driven by food security issues in their own countries. Each choose to deploy their capital in several ways with varying degrees of risk.

Food security is the primary concern of Gulf states. These tend to operate at a governmental level by striking deals with countries such as Sudan and South Sudan – generally inaccessible to private individuals and non-sovereign funds – that involve leasing huge tracts of land.

It is, however, still possible for private investors to access large blocks of undeveloped land at relatively low prices. In Zambia, for example, the government is opening up areas of tribal land to investors, but the risks are greater due to the cost of infrastructure creation and often distance from market. "The challenge for investors is in identifying and acquiring established large scale farming businesses with proven management teams and good provenance in respect of former ownership rights, rather than high risk start-ups converting farmland from bush," points out Pollock.

Investors also have the choice of producing for export or home markets. There is a growing, mainly European, demand for high-value crops such as flowers, citrus and out-of-season vegetables like mangetout, but Janssen says producing for domestic consumption, at least to begin with, can make more sense. "You are exposed to fewer risks such as issues around phytosanitary management and volatile international commodity markets. If you are able to do well in a domestic market the next step into exporting is easier."

Local commodity prices, particularly in landlocked nations, can also be higher, notes Wigle Vondeling, Food & Agriculture Banking Advisor at ZANACO. "Take Zambia, both soya and wheat go for around US$400/t, which is much more than the world market price. Especially on wheat a gross return of 50% is possible."

# DUE DILIGENCE

Jonathan Scott-Smith introduces the new Knight Frank Farmland Investment Tool that helps investors make informed decisions on where to grow their money

## LOCAL PERSPECTIVE

On-the-ground knowledge is also crucial. Tanya Ware shares her checklist for potential farmland purchases

**Check the title and do due diligence on all documents.** Land ownership varies considerably across the continent. For example, Zambia offers 99-year leasehold, while South Africa is freehold.

**Assess water availability from rivers, dams, lakes, rainfall and underground supplies.** Irrigation is key to the success of both winter and summer crops.

**Know your soil.** Testing is essential as African soils vary considerably and different crops like maize, soya, wheat, tobacco, sugar cane, coffee, tea and increasingly citrus, nuts, vegetables and essential oils all have specific requirements.

**Watch the weather.** With the extreme range of temperatures on the continent, research on local conditions to match planned farming activities is key from the outset.

**Look for local incentives.** Some countries offer investment incentives and tax breaks specific to the agricultural sector.

**Research company registration and look at local taxes.** Local requirements for setting up a new company vary widely.

**Look at infrastructure and logistics.** Infrastructure quality and distance to markets and trade hubs have a big impact on profits, while planned roads and rail transport can open up new farming areas.

**Work out labour requirements.** Generally, there is a surplus of labour across the continent, but new technologies will require new skills.

The previous article made the investment case for farmland, but choosing where to invest is a complex process, with many factors that need to be considered. Agricultural land is a more complex asset class than say office blocks or retail property, and this explains why it accounts for a relatively small percentage of institutional property portfolios, despite performing well – if you bought the right land in the right place.

How does an investor decide where to invest, and what to invest in, and what tools are available to help the process? What is needed is a model that incorporates published risk scores into a comprehensive formula and capitalises yield potential at a risk-adjusted rate to give a notional land value that can be compared with market prices or assessed against leasehold offerings. Knight Frank has developed its Farmland Investment Tool (FIT) to do exactly that.

Risk perception and business limitations all affect values. The developed markets in Western Europe and the US, for example, have low risk profiles and high land prices. Russia has poor risk scores and correspondingly cheap land, yet Argentina, regarded as one of the riskiest countries in South America, is priced at a similar level to the US Corn Belt. A detailed model allows all the relevant factors to be considered both individually and as a total risk adjuster.

### Head to head

How countries compare using the Knight Frank FIT calculation

| | Brazil | Zambia |
|---|---|---|
| Rain-fed Maize production | | |
| Global price ($/t) | 227 | 227 |
| Current yield (t/ha) | 4.67 | 2.32 |
| Output ($/ha) | 1,060 | 527 |
| Potential yield (t/ha) | 8.69 | 11.32 |
| Output ($/ha) | 1,973 | 2,570 |
| **Capitalisation Rate Multipliers** | **Adjusted scores** | |
| Financial Freedom | 50.0 | 50.0 |
| Ease of Doing Business | 75 | 115 |
| Investment Freedom | 50 | 45 |
| Corruption Perception | 60 | 65 |
| Property Rights | 44.2 | 54 |
| Logistics | 38 | 51 |
| Political Assessment | 47 | 43 |
| Credit Rating | 66 | 66 |
| Inflation | 8.7 | 17.9 |
| GDP Growth | 9.6 | 5.4 |
| Corporate tax rate % | 0.34 | 0.1 |
| Trade Freedom | 31.5 | 21.7 |
| **Market land price $/ha** | **5,981** | **3,750** |
| **Knight Frank's FIT land value $/ha** | **5,038** | **6,150** |

**Sources:** Knight Frank Research, Heritage.org, World Bank, Transparency International, Trading Economics, Yieldgap.org

So how does FIT work? The starting point is crop yield potential, for which data is available from several sources, covering many countries. Potential yield is more important than current average yields, which may be limited by inputs, skill and capital – most developing countries, such as those in Africa, have a significant 'yield gap'. Rain-fed wheat or maize (corn) yields are used in our model, depending on which gives the highest output based on global average prices, but any other globally-priced crop could be used. Output is then capitalised, the initial rate being based on a typical gilt or bond rate plus an illiquidity premium, and the resulting figure is then adjusted by a multiplier made up from a combination of risk factors.

These currently consist of financial freedom, ease of doing business, investment freedom, corruption perception, property rights, logistics, political assessment, credit rating, inflation, GDP growth, corporate tax rates and trade freedom. Each one can be individually weighted according to the user's preference, and others can easily be added if considered relevant, assuming the data is available.

Published risk scores need to be treated carefully, as 'risk' can mean a lot of different things – expensive land in a low-risk country may be more likely to fall in value than a properly researched investment in a nominally riskier jurisdiction. In Europe, German farmland, for example, fell heavily in value during the 2000s while Polish land climbed steadily, with barely a slowdown even after the beginning of the global financial crisis in 2008.

We have modelled only those countries with significant foreign ownership or investment interest, and globally the overall picture is largely as expected. Land prices in densely populated Western European countries are higher than their output and risk scores would suggest, reflecting demand factors outside of agricultural production such as lifestyle and tax planning. The exception is France due to its inheritance rules and local sales approval process. Less developed Central and Eastern European countries trade at a discount, again as one might expect although risks scores indicate the EU members in Central Europe are still priced at a discount. New Zealand is expensive and Australia may be cheap although that may be as a result of climate issues. South America is a mixed bag, with Argentina and Brazil overpriced, according to FIT, with land bargains to be had in Uruguay and Paraguay. The US is neutral, being the benchmark, and Canada is cheaper due in part to restrictions on ownership.

Africa is a continent of diverse countries and similar diversity in risk scores. Comparisons between notional and actual market prices tend to be difficult as land is typically available on long leases at nominal annual rents in exchange for capital improvements, rather than freehold title. However, a comparative notional land value is still a useful measure, particularly if it can be based on reliable yield crop potential. Consolidated risks scores across Africa are generally comparable with the better parts of South America and much of Central and Eastern Europe, and better than Russia and Ukraine. Two countries with similar overall risk scores are Brazil and Zambia. Individual scores are also very close, the main differences being that Brazil fares better on Ease of Doing Business and Inflation but less well on GDP Growth. Potential maize yields as assessed by the Yieldgap.org Global Yield Gap Atlas are also comparable.

As a result, the model indicates land values should be similar, but FIT indicates comparable Zambian land can be acquired for around half the price you would pay in Brazil.

Maize yield potential is also similar in Ethiopia and the US. There is no hiding the fact that Ethiopia has poorer risk scores across the board, resulting in a notional land value of less than half that in the US, but with land values at less than a tenth, this could present opportunities for investors confident of being able to manage those risks.

*Jonathan Scott-Smith is a member of Knight Frank's Rural Asset Management team and has experience of international farmland investments.*

**Pumping –** Large parts of Africa have access to huge volume of water for irrigation

# GROWTH POTENTIAL

## A selection of potential African farmland hotspots that could offer investment opportunities now or in the future

Africa is a huge continent and, as the map on this page shows, there is commensurate variation in terms of farming systems across its 54 countries, the area of agricultural land available and the respective economic performance of each country. Most offer some kind of agricultural investment opportunities, but there is very little data to benchmark potential returns. This is partly due to the nature of agriculture as a property asset – yields tend to be far more volatile than say office buildings with secure covenants – but also due to a lack of deal transparency across the continent. A database of transactions compiled by Land Matrix gives some guide as to where investors are looking. For each country the map shows how many deals have been recorded and the area of land involved. Most of the deals are leasehold-based and a significant number, particularly in the Sudan and Southern Sudan, are government-to-government arrangements, often involving a Middle Eastern country looking to mitigate food security issues. The countries we have chosen as "hotspots" are some of those that could appeal to private investors.

### TANZANIA

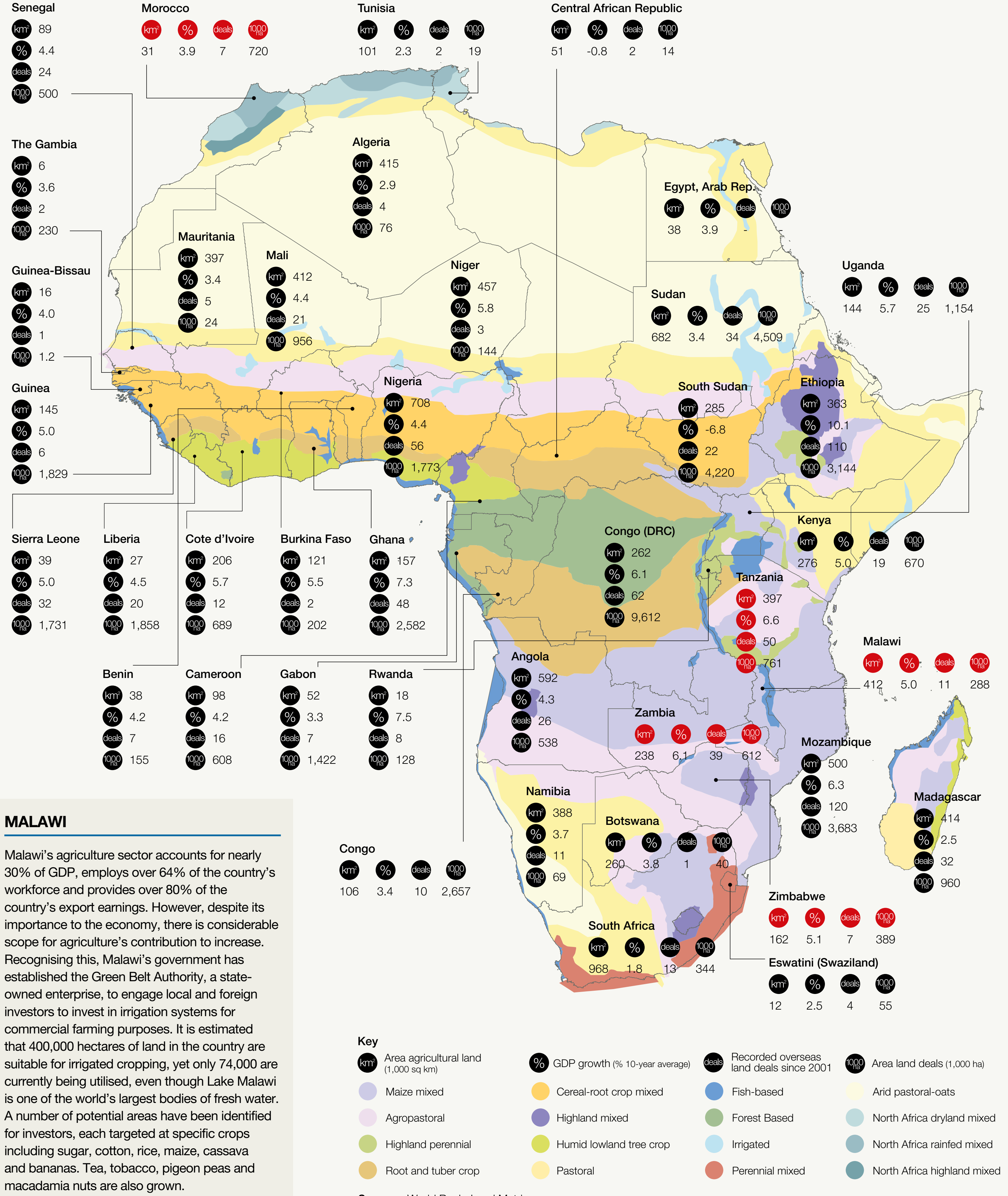
Tanzania has 44 million hectares of arable land with an estimated 29.4 million hectares suitable for irrigation and fresh groundwater covering 6% of its surface area. The country has the second largest livestock population in Africa. Popular crops for agri-business investors include sugar cane, tea, maize, soya, barley, seed crops and, more recently, avocado pears. There are several attractive incentives to investing in agriculture in Tanzania including: Reduced import tariffs on project capital items (0% for investment in agriculture); favourable investment allowances and deductions, for instance a 100% capital allowance on agricultural expenditure; zero-rated VAT on agriculture inputs; straight line accelerated depreciation allowance on capital goods; up to five years' carryover of all business losses against future profits; the unrestricted right to transfer outside the country 100% of foreign exchange earned profits and capital.

### ZIMBABWE AND SOUTH AFRICA

Although it would be stretching it to say that these two countries in southern Africa are currently investment hotspots, investors should not discount them from their future strategies – simply because their agronomic potential is so high, even if the economic and political environment is a cause for caution. South Africa has the best farming infrastructure and knowledge base on the continent. The proposed land appropriation bill has naturally worried farmers and caused land values to fall by as much as a third. However, President Cyril Ramaphosa is concerned about reforms that could inflict lasting damage on the country's economy so it is hoped that land distribution will be handled more carefully than it was in its neighbour Zimbabwe. Following the departure of Robert Mugabe last year, Zimbabwe's new President Emmerson Mnangagwa has tried to tempt farmers and investors to return by offering long leases on farms.

### MALAWI

Malawi's agriculture sector accounts for nearly 30% of GDP, employs over 64% of the country's workforce and provides over 80% of the country's export earnings. However, despite its importance to the economy, there is considerable scope for agriculture's contribution to increase. Recognising this, Malawi's government has established the Green Belt Authority, a state-owned enterprise, to engage local and foreign investors to invest in irrigation systems for commercial farming purposes. It is estimated that 400,000 hectares of land in the country are suitable for irrigated cropping, yet only 74,000 are currently being utilised, even though Lake Malawi is one of the world's largest bodies of fresh water. A number of potential areas have been identified for investors, each targeted at specific crops including sugar, cotton, rice, maize, cassava and bananas. Tea, tobacco, pigeon peas and macadamia nuts are also grown.




**Sources:** World Bank, Land Matrix

### MOROCCO

The Kingdom of Morocco occupies a strategic location on the Mediterranean just 14km from southern Europe. Almost 90 million hectares of the country are suitable for some form of agriculture, with 16 million having access to irrigation. Agricultural exports account for about 11% of foreign exchange earnings. Major crops include citrus, apples and olives, but many others are grown including high-value niche crops like blueberries perfume roses and saffron. Since 2011 a series of reforms have taken place, including the liberalisation of the financial sector, and there has been extensive infrastructure investment. The ambitious "Green Morocco Plan" for agriculture was launched in 2018 and aims to increase productivity and exports. The plan includes incentives for private investment into agriculture. Currently, overseas individuals and companies are not allowed to buy the freehold of agricultural land, but are free to lease it.

### ZAMBIA

Often viewed as a regional safe haven due to its relative stability, Zambia attracts private and institutional investors from overseas and other parts of Africa. Over 40 million hectares of the country are classified as having medium to high potential for agricultural production, but only about 1.5 million hectares are cultivated annually. There are significant volumes of water available for irrigation. Crops traditionally grown include staples such as maize, wheat and other grains along with cash crops like tobacco and cotton, as well as dairy and livestock enterprises. However, higher value crops including nuts and citrus are growing in importance. Agri-businesses benefit from a range of tax incentives and capital allowances provided under the Zambia Development Act. Corporation tax for agricultural businesses is only 10% compared with 35% for other sectors of the economy and investors are also allowed to import agricultural equipment free of import duties.

# FOCUS ON ZAMBIA

Tanya Ware, Director, Farms and Estates, Zambia, takes a detailed look at land values and opportunities across the country

Zambia occupies a strategic trading position in Sub-Saharan Africa, bordered as it is by the Democratic Republic of the Congo, Tanzania, Zimbabwe, Angola, Mozambique, Namibia, Botswana and Malawi. It is one of the few countries in the region to have an annual surplus of cereal crops, which is exported officially or informally to these eight countries.

## History

The nation has a strong history of crop production and a relatively well developed agricultural infrastructure dating back to when it was known as Northern Rhodesia. Often viewed as a regional safe haven it attracts farmers from other countries such as Zimbabwe and South Africa, as well as private and institutional investors from overseas.

From an agronomic perspective, over 40 million hectares of the country are classified as having medium to high potential for agricultural production, but only about 1.5 million hectares are cultivated annually. There are significant volumes of water available for irrigation and it is estimated that the country has 40% of the total water resources in Central and Southern Africa.

## Crops

Crops traditionally grown include staples such as maize (corn), wheat and other grains along with cash crops like tobacco and cotton, as well as dairy and livestock enterprises. However, higher value crops including nuts and citrus are growing in importance.

Despite this, the bulk of Zambia's Gross Domestic Product has historically been driven by the export of copper and cobalt. To lessen the country's reliance on these metals and to mitigate the impact of global commodity price volatility, the government has put in place measures and incentives to encourage investment and further development of the agricultural sector.

## Development

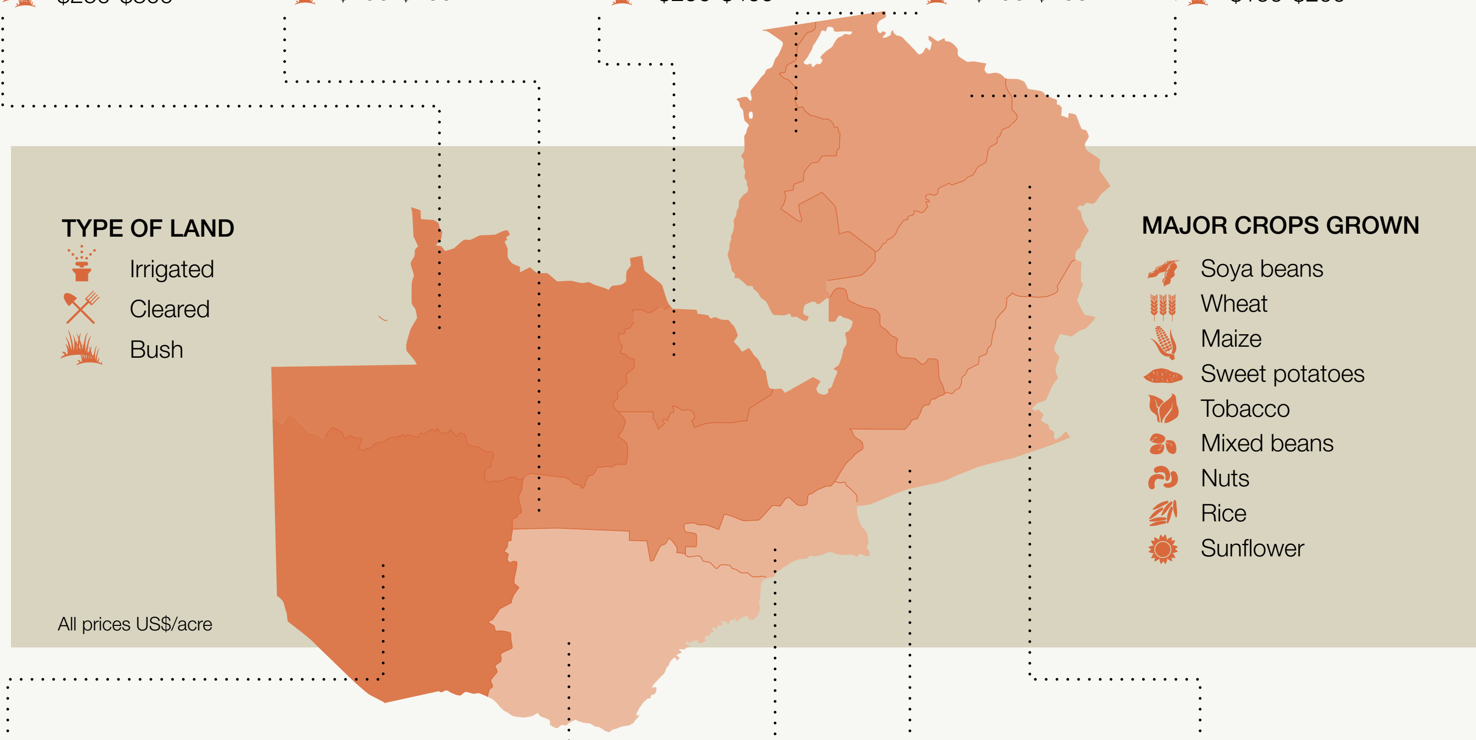
Ten farming blocks have been identified and surveyed around the country to enable more land to be opened up for agriculture. Each block consists of a large-scale core business of up to 10,000 hectares surrounded by several large commercial farms. This nucleus provides the infrastructure and out-grower opportunities for smaller farming enterprises. The ambition is to encourage large-scale investment, while supporting local farmers.

Once established, businesses also benefit from a range of tax incentives and capital allowances provided under the Zambia Development Act. Corporation tax for agricultural businesses is only 10% compared with 35% for other sectors of the economy and investors are also allowed to import agricultural equipment free of import duties. Those investing over US$500,000 into specific agricultural subsectors including horticulture and cotton also qualify for a range of additional incentives.

## Infrastructure

Legislation provides protection from the compulsory acquisition of land without due compensation.

The country's infrastructure is also improving. The Accelerated National Roads Construction Programme aims to rehabilitate the existing road network linking Zambia to its neighbours, as well as the highways between the country's major towns. For example, the 321-kilometre Lusaka/Ndola dual carriageway is due to be completed in 2021.




| Province | Irrigated | Cleared | Bush |
|---|---|---|---|
| North Western | $2,300-$2,500 | $850-$1,000 | $250-$300 |
| Central | $2,500-$3,000 | $1,200-$1,600 | $250-$400 |
| Copperbelt | $2,200-$2,400 | $1,000 | $250-$400 |
| Luapala | $2,000-$2,000 | $750-$850 | $150-$200 |
| Northern | $2,000-$2,000 | $750-$850 | $150-$200 |
| Western | | $600-$750 | $100-$150 |
| Southern | $1,300-$1,600 | $750-$1,000 | $150-$250 |
| Lusaka | $2,500-$2,800 | $1,400-$1,500 | $250-$400 |
| Eastern | $1,800-$2,000 | $700-$800 | $100-$150 |
| Muchinga | $2,000-$2,000 | $750-$850 | $100-$150 |

**Source:** Knight Frank Zambia



# CASE STUDY: JOINING THE VALUE CHAIN

Zambeef has invested heavily in all stages of the agri-supply chain. Andrew Shirley paid a visit.

Agricultural investments into Africa need not be confined to primary production, indeed one of the advantages of the continent's relatively undeveloped food chain is the huge opportunity for vertical integration and the ability to add value to crops and livestock. As the number of middle-income households rises, so does the demand for more Western-style shopping experiences, products, packaging and hygiene standards.

On a recent trip to Zambia I was able to see in just a few hours how Zambeef, the country's largest integrated cold chain food products and agribusiness company, has taken advantage of this trend. Each year the company slaughters around 78,000 beef cattle, over seven million chickens and 60,000 pigs, processes 19 million litres of milk, packs 69 million eggs, produces 154,000 tonnes of stock feed and grows rain-fed and irrigated crops on almost 16,500 hectares of land.

Walking around Zambeef's Kalunda dairy unit, an hour's drive from the capital Lusaka and home to around 1,500 cows milked in a 70-point rotary parlour, it is clear that the unit is run to standards as exacting as you'd find on a farm in the UK and the herd management techniques applied are just as advanced. Later in the day, a trip to a large supermarket reveals a wide selection of value-add Zambeef dairy products lining the shelves including flavoured milk and yoghurts.

The same applies to the extensive variety of fresh and branded packaged meats that are sold in both Zambeef's own retail outlets – it has 205 throughout Zambia and West Africa – and Shoprite supermarkets where it runs a number of in-store butcheries. Speaking at the launch of its latest shop in Lusaka, CEO Francis Grogan said: "Our mandate is to bring affordable, quality, fresh products to our customers, sold in a hygienic environment."

This strategy seems to be paying off with Zambeef's retail and cold chain business generating revenues of over US$95m in the first half of 2018.

# WINE AND WILDLIFE

## Vineyards and game reserves also offer investment opportunities in Africa. Andrew Shirley goes on safari to check out the potential

For many consumers, the closest they will have got to Sub-Saharan Africa is enjoying a glass of South African wine. For those lucky enough to have visited in person, the chances are it would have been on a safari to one of the many amazing national parks or private game reserves throughout the region.

But whichever way people choose to experience Africa, demand is rising and this has the potential to provide investors with unique land-based opportunities. Take wine, for example. According to figures from the Knight Frank Luxury Investment Index provided by Wine Owners, the selling price of top quality South African wines traded on the secondary market has increased by 245% over the past five years, compared with 47% for those from Bordeaux and 85% from California.

Numbers from industry body Wines of South Africa also show that the value of exports rose by 4% to almost nine billion rand in the year to June 2018. Exports to the UK, the biggest consumer of South African wine, rose 10% to 1.8 billion rand, while second placed Germany saw an 18% increase to 1.7 billion rand.

Chris Mullineux of winemaker Mullineux and Leeu, backed by Indian investor Analjit Singh, Chairman of Max India, says the outlook for the sector is positive, despite concerns about a potential land appropriation bill currently being discussed by politicians. “South Africa is finally building a reputation for world class wines and we are starting to be able to charge much higher prices.

“We don’t have our heads in the sand, but feel the risks here are far outweighed by the positives. South Africa is not the only winemaking region that has issues, but the cost of land here is a fraction of what you’d pay in other countries and we’re not restricted by regulations like producers in Europe. It is much easier for us to experiment with new varieties and innovations. The weakness of the rand also helps with exports, which account for half of our production, and are paid for in hard currency.”

Susan Turner, Managing Director of Valuations for Knight Frank South Africa, says the market for vineyards remains firm with prices averaging around 500,000 rand per hectare of vines (£29,000/ha). Many purchases are for lifestyle reasons as well as commercial investments, she notes. “New farm owners are generally wealthy, professional and independent of commercial farming.”

While winemaking in Sub-Saharan Africa is largely limited to South Africa, conservation opportunities are spread across the region. Travellers are becoming more adventurous and are increasingly driven by the desire to help conserve wildlife and be part of sustainable projects, as well as just tick off the “Big Five,” says Kerry Golds of up-market safari operator Abercrombie & Kent.

“Africa is one of our strongest sellers. Kenya and Tanzania always do well, but we’ve seen an increase in interest in the likes of Rwanda, Namibia and Botswana. All the safaris that we sell in Africa are chosen due to the way they manage their camp or lodge – they have to be sustainable and pro conservation for their business to work.”

**A continent of opportunity** – Visitors are encouraged to engage with conservation projects (left) An African safari is an unforgettable experience (above) South African wine is increasingly popular (below)

Alasdair Pritchard of Knight Frank’s international team says a number of luxury hotel chains are looking to acquire properties in Africa that can deliver strong environmental benefits as part of their corporate responsibility programmes. Individual philanthropists are also active in the market, says Tanya Ware of Knight Frank Zambia. “Enquiries are increasing from high-net-worth individuals looking to expand on their existing private investment portfolios.”

Many will buy established game reserves, but a number are starting their own re-wilding projects. British businessman Mark Tompkins and his South African wife Sarah bought 70,000 acres used for goat farming in South Africa’s Karoo region. They have since rehabilitated the land and introduced species such as cheetah and elephant last seen in the area over 100 years ago. With an emphasis on conservation, the Samara reserve is run as a profitable business.

“Occupancies of ecotourism lodges like ours in the Eastern Cape tend to go up towards 70% plus on a full year basis and that’s definitely profitable. And the moment you put elephant, buffalo, lion, leopard and rhino – basically the big five – your land value almost doubles,” says Mr Tompkins.

# LOCAL KNOWLEDGE IN A GLOBAL NETWORK

Knight Frank's key African agri-experts don't view the continent from afar, they live and breathe it on a daily basis. Meet two of them

### SUSAN TURNER

**MD, RESIDENTIAL VALUATION AND ADVISORY, SOUTH AFRICA**

### TANYA WARE

**DIRECTOR, FARMS AND ESTATES, ZAMBIA**

Susan has over 20 years' involvement with all aspects of the property industry, but for the past 17 has focused on valuations. Susan has valued everything from residential properties to banks, hotels, military bases and timber, wine, fruit and game farms. She specialises in the field of agriculture the length and breadth of Africa. She is retained by a number of agricultural property funds and has travelled to 11 African countries in the past 18 months to advise clients on agricultural investments.

Susan lives on a small farm in Franschhoek, near Cape Town, and is passionate about horses, regularly competing in showjumping events. She has an honours degree in Agriculture from Stellenbosch University and is a qualified professional valuer and registered estate agent. She has also lectured on property valuation at the University of Cape Town and actively participates in the mentoring of new valuers.

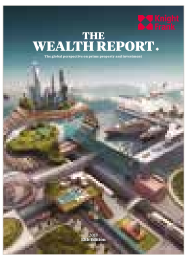
susan.turner@za.knightfrank.com

Born in Zambia, Tanya grew up on a farm and later farmed on her own producing crops, livestock, fruit and vegetables in Mkushi, Kalomo and Lusaka. She has a unique local knowledge of the agricultural sector across the country and in neighbouring countries such as Mozambique. This experience recently broadened to include game farms and lodges in the most remote and beautiful locations. She advises and represents buyers and sellers including commercial farming groups, conversation funds and investors, travelling at least 20,000 miles each year in Zambia by car, light aircraft and the odd boat trip!

Recent sales to major conservation and commercial farming groups totalled 75,000 acres and Tanya is currently marketing a variety of commercial farms around Zambia totalling 115,000 acres, as well selling a selection of superb game lodges and private estates. These range from an exclusive 200-acre boutique private island on the Zambezi river to a 22,800-acre mixed-use commercial farm and private conservation estate.

tanya.ware@zm.knightfrank.com

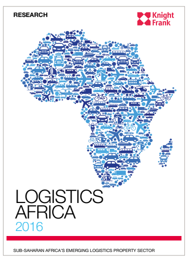
## RECENT MARKET-LEADING RESEARCH PUBLICATIONS




The Wealth Report - 2018


Active Capital 2018


Africa Report 2017/2018




Logistics Africa 2016

Knight Frank Research Reports are available at **KnightFrank.com/Research**



**KNIGHT FRANK AFRICA**

**Peter Welborn**
Managing Director, Africa
+44 20 7861 1200
peter.welborn@knightfrank.com

**RESEARCH**

**Andrew Shirley**
Head of Rural Property Research
+44 7500 816 217
andrew.shirley@knightfrank.com

Most of the properties featured in this report are currently for sale through Knight Frank. See below for more details.

**Page 2/5** – Sinazongwe Farm, Lake Kariba, Zambia (POA)

**Page 10** – Mumbuluma, Kafue National Park, Zambia (POA)

**Page 11** – La Bri, Franschhoek, South Africa (95 million rand)

Knight Frank Research provides strategic advice, consultancy services and forecasting to a wide range of clients worldwide including developers, investors, funding organisations, corporate institutions and the public sector. All our clients recognise the need for expert independent advice customised to their specific needs.

## Get in touch

Knight Frank has sold, valued or offered strategic advice on agricultural, viticultural and conservation property in 15 African countries over the past 12 months. We can offer a full range of advice and services on all property types in 49 of Africa's 54 countries

Please do get in touch, we'd love to help.

**Peter Welborn**
+44 20 7861 1200
peter.welborn@knightfrank.com