17 SEPTEMBER 2026

Market Snapshot
Reaping the benefits of the Agribusiness

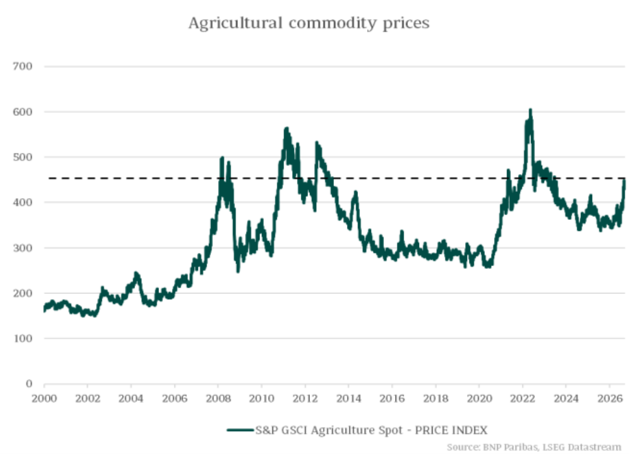
Snapshot

Agribusiness is emerging as one of the most compelling long-term investment themes within the real economy. Spanning the entire agricultural value chain, from crop production and farming inputs to food processing and distribution, the sector is benefiting from a combination of structural demand growth and tighter global supply conditions.

Geopolitical tensions have disrupted agricultural markets in recent years, pushing up the prices of key commodities such as wheat, corn and soybeans, while also increasing the cost of essential inputs including fertilisers. At the same time, industry consolidation has strengthened the competitive position and profitability of leading agribusiness companies.

Looking ahead, the sector stands to benefit from powerful secular trends. Farmland remains a scarce resource, global food demand continues to rise, and growing middle-class populations are driving increased consumption of higher-value food products. Against a backdrop of persistent inflation and renewed investor interest in real assets, agribusiness offers a differentiated source of long-term growth and diversification.

AGRICULTURAL COMMODITY PRICES HAVE REBOUNDED SINCE 2022



Agribusiness: a vital but often overlooked sector

Agribusiness extends far beyond farming. It covers the entire ecosystem involved in producing, processing and distributing agricultural products, including seeds, fertilisers, machinery, food processing, logistics and retail distribution.

Its significance is immense. According to the Food and Agriculture Organization of the United Nations (FAO), smallholder farmers produce more than 70% of the world's food, while agriculture remains the largest employer globally. For many developing economies, it is also a primary source of income and economic development.

As populations grow and living standards improve, particularly across emerging markets, the demand for agricultural products continues to increase. This makes agribusiness a critical component of both global food security and long-term economic growth.

Geopolitical tensions have reshaped agricultural markets

Agricultural markets have experienced a significant shift since 2022, reversing the period of relatively subdued prices that characterised the previous decade.

A key driver has been the war between Russia and Ukraine. Both countries rank among the world's leading agricultural producers and exporters, particularly in wheat. Disruptions to production and export flows have tightened global supplies and contributed to higher grain prices. Meanwhile, tensions in the Middle East have affected the production of nitrogen-based fertilisers, which rely heavily on natural gas. Reduced availability of these inputs has added further pressure to agricultural supply chains and increased production costs for farmers.

Together, these developments have created bottlenecks across both agricultural commodities and essential farming inputs, supporting higher prices for crops such as wheat, corn and soybeans.

Why the investment case remains compelling

The attraction of agribusiness extends well beyond the current commodity cycle. Industry consolidation has resulted in fewer but larger companies, strengthening market positions and improving profitability across several segments of the sector. At the same time, higher crop prices tend to support increased spending on machinery, fertilisers and agricultural technologies, creating favourable conditions for suppliers throughout the value chain.

Long-term fundamentals remain particularly compelling. Farmland is a finite resource, while food demand continues to rise as the global population expands and the middle class grows. Increasing prosperity is also driving greater consumption of protein-rich diets, which require higher levels of agricultural production.

Amid ongoing global warming, a potential "super" El Niño raises the chance of extreme weather, and Middle-East disruptions could intensify food-sector shocks. A Nature study[1] found El Niño's impact on global crop yields is asymmetrical, with negative effects seen in up to 24% of harvested area and positive effects in 36%.

In addition, agricultural assets have historically delivered attractive returns. Investments linked to farmland have generated annual returns of around 11% to 12% over the long term, while also offering diversification benefits and a degree of protection against inflation.

Investing in the agribusiness opportunity

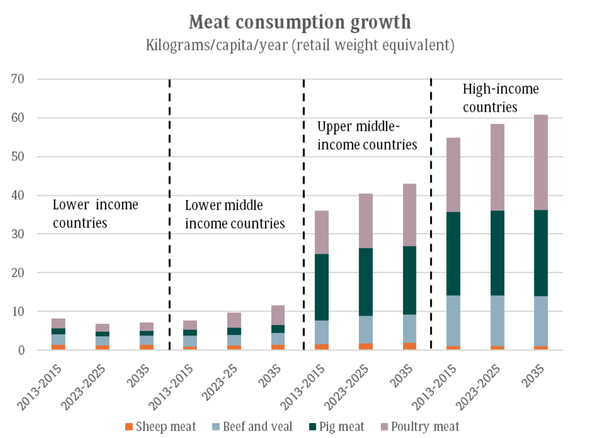
Investors can access the agribusiness theme through several channels. Direct exposure can be obtained through investments in farmland, either individually or via specialist funds. These assets provide access to tangible resources whose value can appreciate over time.

Listed solutions are also available. In particular, agricultural REITs enable investors to gain exposure to farmland through publicly traded vehicles, especially in the United States.

For most investors, however, diversified agribusiness equity funds and ETFs offer the simplest and most accessible route. These vehicles provide exposure to a broad range of companies, including crop producers, fertiliser manufacturers, agricultural traders, food processors and equipment makers.

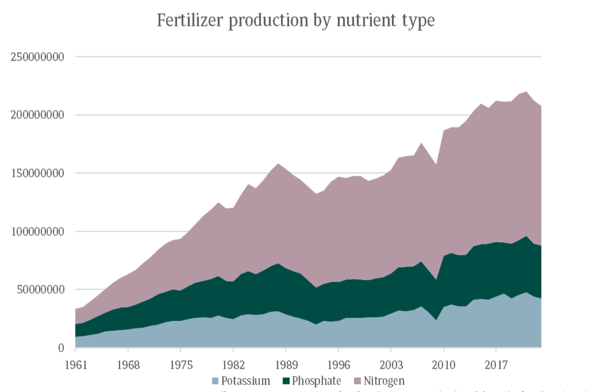
Supported by rising food demand, constrained supply, finite land resources and attractive long-term return potential, agribusiness is increasingly establishing itself as a strategic investment theme for the years ahead.

RISING INCOMES ARE DRIVING GLOBAL PROTEIN CONSUMPTION



Source: BNP Paribas, LSEG Datastream,OECD-FAO Agricultural Outlook 2026-2035 (database)

GLOBAL FERTILISER DEMAND CONTINUES TO RISE



Source: BNP Paribas, LSEG Datastream, Food and Agriculture Organization of the United Nations (2025)

[1]Iizumi, T., Luo, JJ., Challinor, A. *et al.* Impacts of El Niño Southern Oscillation on the global yields of major crops. *Nat Commun* **5**, 3712 (2014). https://doi.org/10.1038/ncomms4712

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