

# Agricultural Valuation in EVS 2025

Geopolitics, Technology & Climate: key movers of EVS Guidance

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# Agricultural Valuation in EVS 2025

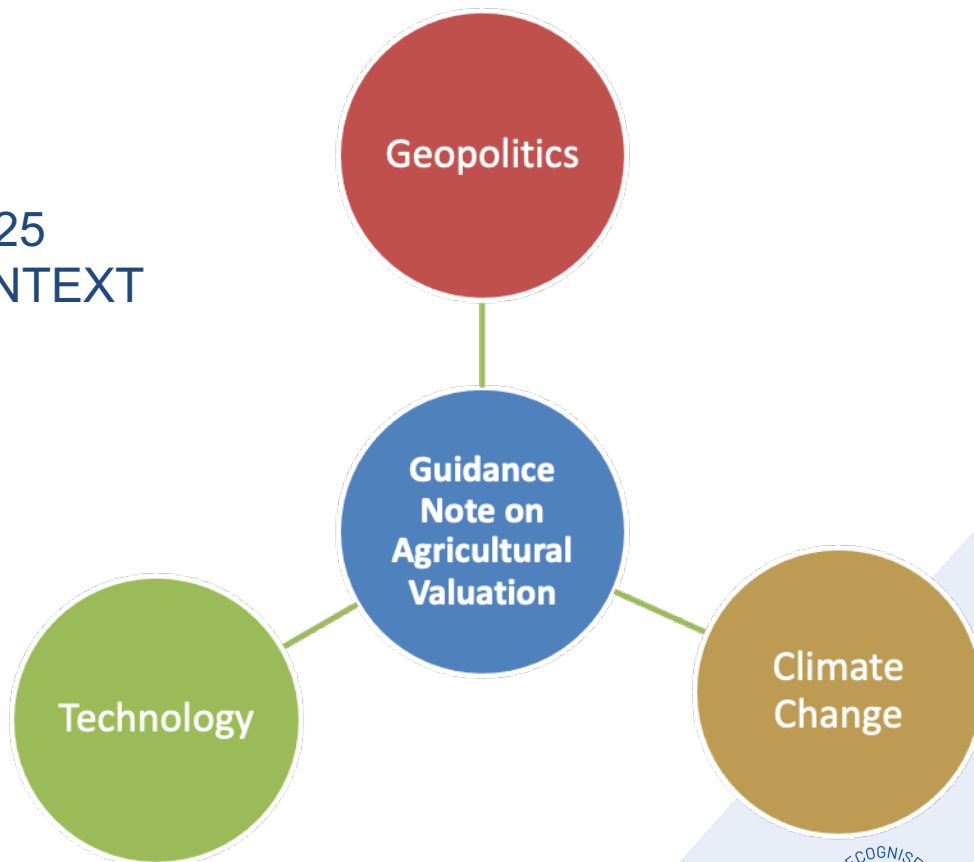
## Geopolitics, Technology & Climate: key movers of EVS

### Guidance

## Main Drivers of Land Value



EVS 2025  
GN CONTEXT





## Geopolitics

### Geopolitical Factors Shaping Agriculture:

- ✓ Geopolitical tensions and conflicts

Geopolitical tensions and conflicts can exert considerable pressure on agricultural land values. Territorial disputes can disrupt agricultural production, limit market access and increase operational risks for farmers.

In regions plagued by conflict or political instability, investors may perceive higher levels of risk associated with agricultural landholdings, leading to reduced demand and suppressed land values.



## Geopolitics

### ✓ Agro-industrial Adaptation to Climate Change

Climate change poses significant challenges for agriculture and has become a key factor in agricultural geopolitics. The EU and its Member States must adapt their agricultural strategies, which, in turn, has geopolitical implications.

Climate variability can lead to the migration of crop patterns, with certain regions becoming more or less suitable for specific crops. This can alter global trade dynamics and change the strategic importance of production areas.



## Geopolitics

### ✓ Agricultural and Environmental Policies

Agricultural policies, including subsidies, tariffs, and trade agreements, directly affect the profitability of farming operations and, consequently, the demand for agricultural land. For instance, changes in subsidy programs or trade policies can change the competitive landscape for farmers, leading to shifts in land values as producers adjust their investment strategies in response to new market conditions.

This is almost entirely European: subsidies, tariffs and trade agreements are all decided at EU level. There are always different views on tariffs and trade agreements in agriculture, but we all agree that we have to decide together, because only the EU has the muscle to protect our agriculture in a dangerous world.



## Geopolitics

### **This is a European valuation conference and agriculture is a very European policy.**

The European Union is a great dialectical struggle between what Europeans would like to do in their own countries – regions – villages, and what they know they must do together.

Nowhere is that dialectic more powerful than in agriculture, as we have seen all over the Union in recent days.





## Geopolitics

### **Agriculture is the Common Policy farmers love to hate; and yet we need it ...**

It's 'just' a question of getting the right EU/national balance in a constantly changing geopolitical, climate and technological environment ... and of getting those policies right.

## And the CAP itself has undergone very heavy 'greening' which just led to the mother of all battles which in turn caused a new shift in the European/national balance:

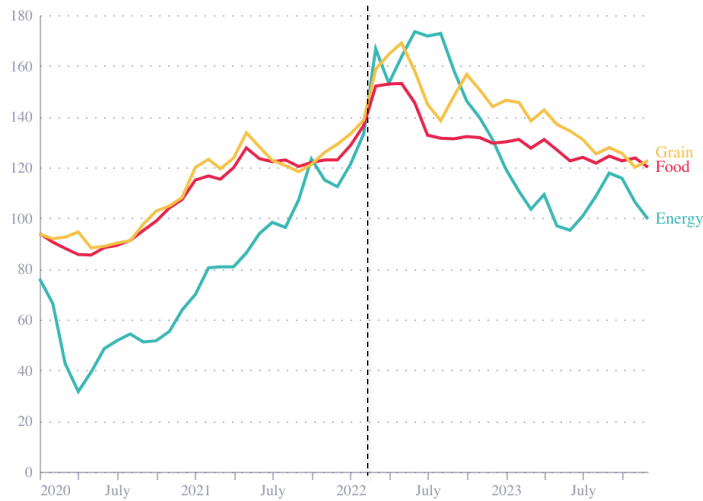
The European Commission means well, but it has a knack for producing concepts and acronyms like "good agricultural and environmental conditions" or "GAECs" which are the environmental "conditionalities" for farmers to get their money and which were so coercive and bureaucratic that farmers lost patience.

Result: new flexibility on fallow land, crop rotation and soil cover and financial *incentives* – instead of sanctions – to leave land fallow, rotate crops, etc..

And no controls and penalties at all for farms under 10 hectares (65% of all CAP beneficiaries).

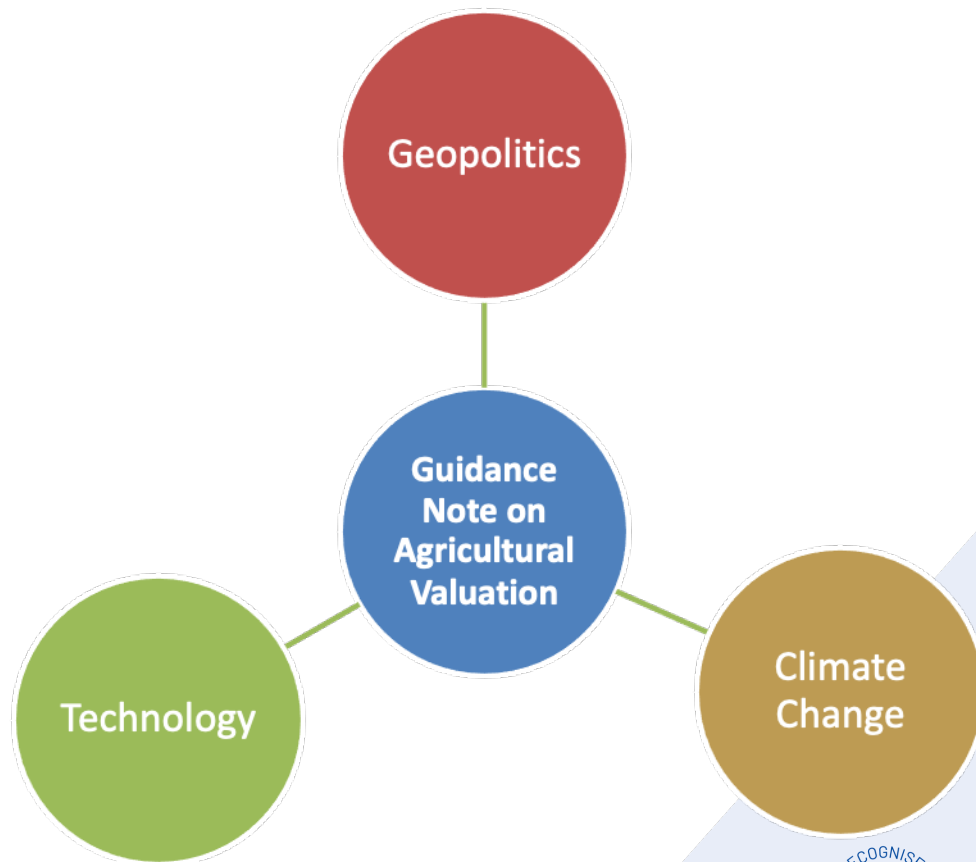


**Figure 3: Commodity price indices**



Source: [The World Bank, 2024](#)

Effect of pandemic and Ukrainian war on commodity prices



Technology, particularly sensors, equipment, machinery, and information technology, has profoundly impacted current farming practices and agricultural operations. Precision farming and robotic systems can help companies boost profits, efficiency, safety and sustainability.

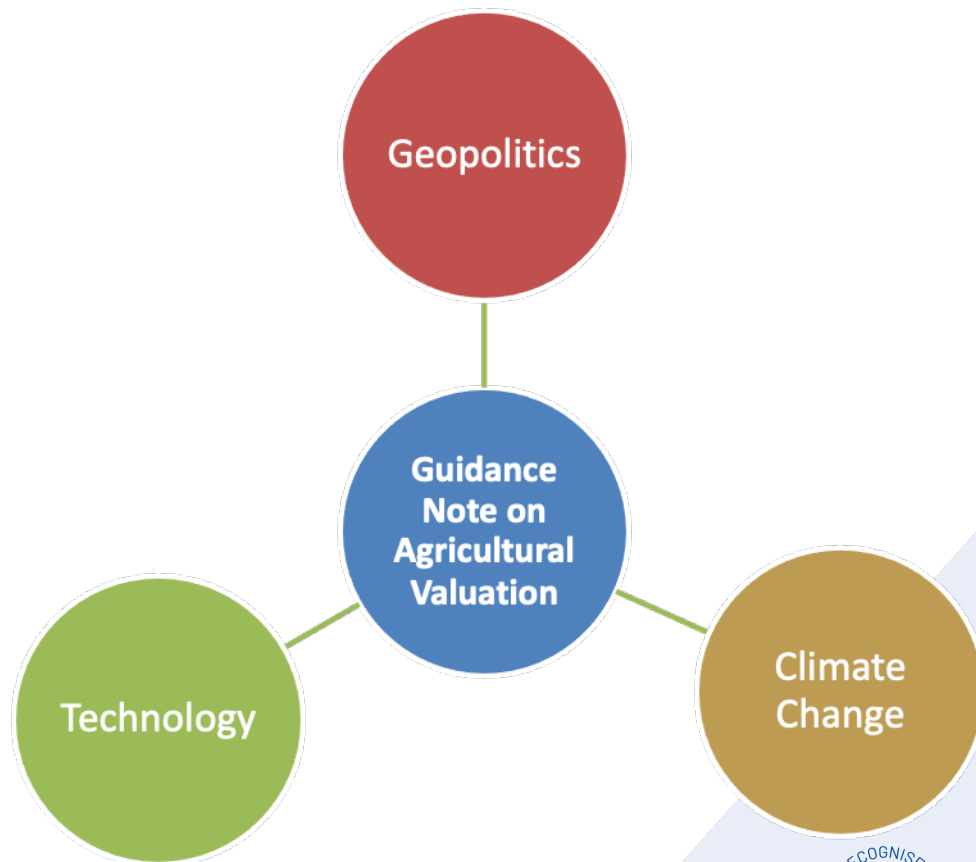
Due to new Technologies farmers can now apply water, fertiliser and pesticides less uniformly, which helps them save time.

Climate change and geopolitical events will shape the future by accelerating adoption of AgrTech to safeguard global food supply.

The European Union is crucial for AgrTech – as for all tech – as it provides the research funding, the single market and the capital markets fostering cutting edge home grown European technology which – unknown to many – has almost equalled the United States and is on a faster growth trajectory



Technology



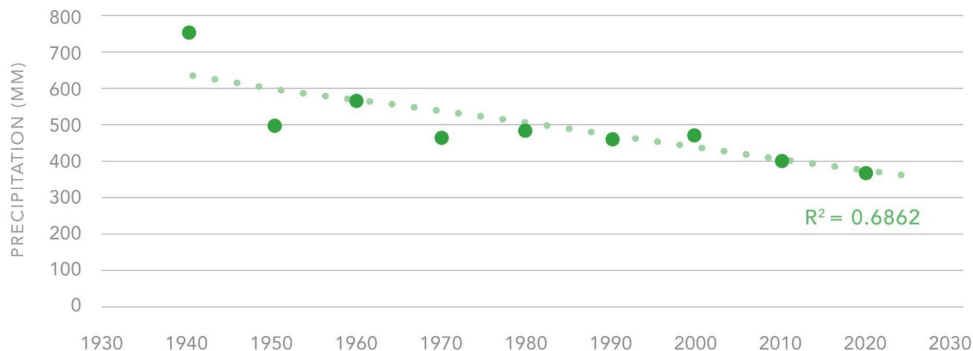
Climate change may be one of the primary challenges for agro-industrial sector. As climate patterns continue to change, countries will need to adapt to ensure food security.

Some of the key elements for reducing climate change impacts:

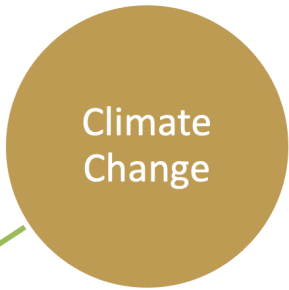
- ✓ Innovation in climate-resistant crop varieties
- ✓ Implementation of sustainable agricultural practices
- ✓ Efficient water management

Collaboration on climate technologies, agreements on emission reduction, and the implementation of more sustainable agricultural practices will be critical focus areas on the European agenda.





FONTE: ESTAÇÃO METEOROLÓGICA VALE FORMOSO - MÉRTOLA



## Case study – South of Portugal

In the last 80 years rainfall has dropped 50%



## Conclusions

- ✓ Geopolitics, climate change and technology are key movers for agricultural valuation and they were the basis for the construction of the guidance note.
- ✓ Geopolitical factors are intrinsically interconnected with the value of agricultural land, reflecting the complex interplay between political, economic, environmental and technological forces.
- ✓ Climate change is fundamentally reshaping the value of agricultural land, posing significant challenges and opportunities for farmers and investors. Promoting sustainable land management practices and embracing innovation, stakeholders in the agricultural sector can navigate the uncertainties of a changing climate and ensure the value of agricultural land resources.

Thank you

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